

NATURAL RESOURCES

Budget Summary							
Fund	2002-03 Base Year Doubled	2003-05 Governor	2003-05 Jt. Finance	2003-05 Legislature	2003-05 Act 33	Act 33 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$321,972,200	\$296,810,900	\$289,557,600	\$289,557,600	\$292,479,300	- \$29,492,900	- 9.2%
FED	97,431,800	99,934,300	100,428,000	100,428,000	100,428,000	2,996,200	3.1
PR	66,850,400	66,787,100	67,842,900	67,842,900	66,630,500	- 219,900	- 0.3
SEG	<u>495,431,800</u>	<u>519,325,400</u>	<u>498,318,000</u>	<u>498,318,000</u>	<u>497,563,400</u>	<u>2,131,600</u>	0.4
TOTAL	\$981,686,200	\$982,857,700	\$956,146,500	\$956,146,500	\$957,101,200	- \$24,585,000	- 2.5%
BR		\$20,246,800	- \$230,753,200	- \$230,753,200	\$14,246,800		

FTE Position Summary						
Fund	2002-03 Base	2004-05 Governor	2004-05 Jt. Finance	2004-05 Legislature	2004-05 Act 33	Act 33 Change Over 2002-03 Base
GPR	447.53	376.72	373.12	373.12	373.12	- 74.41
FED	480.35	470.35	476.35	476.35	476.35	- 4.00
PR	272.64	253.14	259.14	259.14	258.14	- 14.50
SEG	<u>1,774.14</u>	<u>1,704.64</u>	<u>1,709.14</u>	<u>1,709.14</u>	<u>1,707.14</u>	<u>- 67.00</u>
TOTAL	2,974.66	2,804.85	2,817.75	2,817.75	2,814.75	- 159.91

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 525]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$0		\$183,600		\$183,600	
GPR	\$1,425,600	- 1.50	- \$69,200	0.00	\$1,356,400	- 1.50
FED	2,864,600	- 4.00	- 7,200	0.00	2,857,400	- 4.00
PR	2,075,700	- 3.00	- 36,600	0.00	2,039,100	- 3.00
SEG	<u>- 2,104,600</u>	<u>- 2.00</u>	<u>- 273,800</u>	<u>0.00</u>	<u>- 2,378,400</u>	<u>- 2.00</u>
Total	\$4,261,300	- 10.50	- \$386,800	0.00	\$3,874,500	- 10.50

Governor: Provide \$2,263,600 and delete 5.5 positions in 2003-04 and provide \$1,997,700 and delete 10.5 positions in 2004-05 for adjustments to the base budget as follows: (a) -\$2,853,700 annually for turnover reduction, (-\$465,300 GPR, -\$293,400 FED, -\$159,200 PR, and -\$1,935,800 SEG annually); (b) -\$3,749,600 and -5.0 positions in 2003-04 and -\$4,015,500 and -10.0 positions in 2004-05 for removal of non-continuing elements from the base (-\$846,600 GPR, -\$125,800 FED, -\$101,500 PR, and -\$2,675,700 SEG in 2003-04; -\$846,600 GPR, -\$180,400 FED, -\$161,600 PR, and -\$2,826,900 SEG in 2004-05; -2.0 FED positions and -3.0 PR position in 2003-04; and -4.0 FED positions, -3.0 PR positions, and -3.0 SEG positions in 2004-05); (c) \$6,474,600 annually for full funding of continuing salaries and fringe (\$1,967,000 GPR, \$1,875,200 FED, \$1,301,900 PR, and \$1,330,500 SEG annually); (d) \$7,900 GPR and -0.5 position (-1.5 GPR positions and 1.0 SEG position) each year for funding of positions authorized at the December, 2002, s. 13.10 hearing, including the elimination of 1.5 positions related to across the board budget reductions and the provision of 1.0 forestry SEG gypsy moth suppression coordinator; (e) \$2,175,800 annually for overtime (\$8,400 PR and \$2,167,400 SEG annually); and (f) \$208,600 annually for a fifth vacation week as cash for certain long-term employees (\$49,800 GPR, \$3,600 FED, \$18,300 PR, and \$136,900 SEG annually).

Joint Finance/Legislature: Provide \$15,200 GPR annually to correct two adjustments relating to full funding of existing salary and fringe benefit levels that were incorrectly entered during the preparation of the budget bill.

In addition, delete funding for payments for fifth week of vacation as cash, totaling \$208,600 annually (-\$49,800 GPR, -\$3,600 FED, -\$18,300 PR and -\$136,900 SEG). Require the Department to lapse to the general fund a total of up to \$155,200 annually from those PR and SEG accounts or funds from which these fifth week of vacation as cash payments had been budgeted. Specify, however, that the agency is not required to lapse to the general fund any such PR or SEG amount that is from federal funds or that is from another fund source whose lapse to the general fund would be prohibited by state or federal laws or the state or federal constitution (it is estimated that approximately \$63,400 annually may not lapse due to state or federal restrictions). Estimate GPR-REV of \$183,600 for the biennium.

[Act 33 Section: 9160(3f)]

2. BASE BUDGET REDUCTIONS

Governor/Legislature: Reduce the following GPR state operations appropriations by a total of \$7,417,800 and 35.35 positions in 2003-04 and by \$7,471,400 and 63.75 positions in 2004-05. The bill represents an 18% reduction in DNR's GPR general operations base budget, excluding debt service.

Funding Positions		
GPR	-\$14,889,200	- 63.75

	2003-04			2004-05		
	Amount	FTE	Reduction to Base	Amount	FTE	Reduction to Base
Land Program						
Wildlife Management	-\$52,500		38.7%	-\$142,800	-1.4	100.0%
Facilities and Lands	-219,800		67.4	-320,900	-2.0	100.0
Parks and Recreation	-1,000,000		17.1	-1,168,100	-6.0	20.0
Endangered Resources	0		0.0	-51,800	-1.0	21.8
Integrated Science Services						
Integrated Science Services	-680,200	-9.0	35.9	-680,200	-9.0	35.9
Water Program						
Watershed Management	-\$278,400	-2.0	3.8	-\$715,100	-11.0	9.8
Fisheries Management	-50,800	-1.0	1.8	-304,400	-5.0	10.6
Drinking Water and Groundwater	-63,700	-1.0	2.1	-393,700	-6.0	13.1
Water Program Management	-67,800	-1.0	2.5	-76,500	-1.0	2.9
Development Program						
Resource Maintenance and Development	-\$894,400		100.0	\$0		0.0
Facilities Acquisition, Development, and Maintenance	-170,900		100.0	0		0.0
State Park, Forest, and Riverway Roads	-1,815,900		100.0	-1,494,500		78.7
Administration and Technology						
Administration	-\$122,500	-1.0	44.7	-\$122,500	-1.0	44.7
Legal Services	-132,000	-1.0	14.3	-132,000	-1.0	14.3
Finance	-52,300	-1.0	3.2	-52,300	-1.0	3.2
Administrative and Field Services	-447,700	-0.7	72.7	-447,700	-0.7	72.7
Enterprise Information, Technology, and Applications	-890,200	-10.0	51.1	-890,200	-10.0	51.1
Human Resources	-13,300		3.6	-13,300		3.6
Customer Assistance and External Relations						
Customer Service and Licensing	-\$65,400	-1.0	9.1	-\$65,400	-1.0	9.1
Cooperative Environmental Assistance	-201,700	-2.65	71.1	-201,700	-2.65	71.1
Communication and Education	-58,200	-1.0	82.0	-58,200	-1.0	82.0
Community Financial Assistance	-55,900	-1.0	12.2	-55,900	-1.0	12.2
Customer Assistance Program Management	<u>-84,200</u>	<u>-2.0</u>	10.7	<u>-84,200</u>	<u>-2.0</u>	10.7
Total	-\$7,417,800	-35.35		-\$7,471,400	-63.75	

In addition, for 2003-04 only, delete the requirement that DNR must allocate at least \$150,000 annually on resource maintenance and development projects for historical sites, \$10,000 of which is earmarked for Heritage Hill State Park. Under the bill, no funds are appropriated in 2003-04 for this purpose (\$894,400 GPR is provided in 2004-05).

[Act 33 Section: 9138(3)]

3. TRANSFERS BETWEEN APPROPRIATIONS

SEG	- \$1,888,000
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Governor/Legislature: Transfer funds and positions between appropriations within DNR as follows:

	<u>2003-04</u>	<u>2004-05</u>	<u>Positions</u>	<u>Fund</u>
Land				
Land Program Management	-\$75,300	-\$75,300	-1.0	GPR
Parks General Operations	75,300	75,300	1.0	GPR
Wildlife Management	284,600	284,600	4.5	SEG
Parks Operations	41,000	41,000	1.0	SEG
Forest Wildlife Managers	-168,600	-168,600	-2.5	SEG
Enforcement and Science				
Integrated Science Services	163,300	163,300		GPR
Law Enforcement	-163,300	-163,300		SEG
Conservation Aids				
Chronic Wasting Disease	-166,800	-166,800	-3.0	SEG
Administration and Technology				
Finance	-163,300	-163,300		GPR
Finance	163,300	163,300		SEG
Administration and Field Services	-41,000	-41,000	-1.0	SEG
Facility Rental Costs	-944,000	-944,000		SEG
Customer Assistance and External Relations				
Communication and Education	<u>50,800</u>	<u>50,800</u>	<u>1.0</u>	SEG
Total	-\$944,000	-\$944,000	0.0	

Position transfers result primarily from three policy changes. First, one position is moved from land management to parks to reflect a reorganization of its field management staff that DNR undertook during the spring and summer of 2002. Second, 2.5 wildlife managers currently funded from the forestry account would be transferred to the fish and wildlife account. Finally, three project positions assigned to activities relating to chronic wasting disease are moved from wildlife damage program funding within the conservation aids program to general wildlife management and community education. Also, one position is moved from administrative and field services to parks operations to reflect the fact that the person in the position is supervised by the parks program.

The remaining transfers generally fall into two categories. The GPR and SEG shifts address reductions made under 2001 Acts 16 and 109 and are intended to more equitably distribute reductions by funding source. Finally, DNR determined that the conservation fund was overpaying for its portion of shared administrative costs. In its budget, DNR requested that \$944,000 in administrative expenditures be reduced annually from the conservation fund and applied to the air emissions fee program, whose administrative funding contribution had been reduced under 2001 Act 16. The bill would not provide the increased expenditure authority

under the air emissions fee program, resulting in a net reduction to authorized administrative expenditures for facility rental costs.

4. TRANSFERS WITHIN APPROPRIATIONS

Governor/Legislature: Authorize the following transfers between programs within the same appropriation:

	<u>Amount</u>	<u>FTE</u>	<u>Fund</u>	<u>Transfer From</u>	<u>Transfer To</u>
2001 Act 16 and Act 109 Reallocations					
Administration and Technology program	2,300		SEG	Management & Budget	Administration
Administration and Technology program	3,600		SEG	Legal Services	Administration
Administration and Technology program	12,000		GPR	Legal Services	Information Technology
Administration and Technology program	40,100	1.00	SEG	Administrative & Field Services	Finance
Administration and Technology program	93,200	1.00	SEG	Administrative & Field Services	Legal Services
Administration and Technology program	1,300		SEG	Legal Services	Administration
Administration and Technology program	14,900		SEG	Legal Services	Finance
Customer Service program	9,000		GPR	Licensing	Communication & Education
Customer Service program	7,500		GPR	Community Financial Assistance	Communication & Education
Enforcement and Science program	75,000		SEG	Law Enforcement	Integrated Science Services
Transfers related to reorganization					
Land program	1,098,300	14.00	SEG	Land Management	Wildlife Management
Land program	2,265,300	28.00	SEG	Land Management	Forestry
Land program	64,300	1.00	SEG	Land Management	Southern Forests
Land program	200,400	2.00	SEG	Land Management	Parks & Recreation
Land program	169,700	2.00	SEG	Land Management	Facilities & Lands
Water program	427,400	6.00	SEG	Water Management	Fisheries Management
Facilities and Lands	41,300	1.00	SEG	Facilities & Lands	Wildlife Management
Facilities and Lands	47,600	1.00	SEG	Facilities & Lands	Wildlife Management
Facilities and Lands	48,800	1.00	SEG	Facilities & Lands	Wildlife Management
Facilities and Lands	59,100	1.00	SEG	Facilities & Lands	Wildlife Management
Facilities and Lands	37,900	0.75	SEG	Facilities & Lands	Wildlife Management
Elimination of water integration team					
Transfer to fisheries	73,700	1.00	GPR	Drinking & Groundwater	Fisheries Management
Transfer to drinking & groundwater	77,400	1.00	SEG	Water Integration Team	Drinking & Groundwater
Transfer to watershed management	113,200	1.00	GPR	Water Integration Team	Watershed Management
Transfer to watershed management	150,000		SEG	Water Integration Team	Watershed Management
Reallocation of supplies funding					
Customer Service	27,900		GPR	Licensing	Licensing
Customer Service	6,400		GPR	Communication & Education	Licensing
Customer Service	20,200		GPR	Community Financial Assistance	Licensing
Customer Service	60,500		GPR	Customer Service Management	Licensing
Customer Service	6,400		SEG	Licensing	Communication & Education
Customer Service	20,200		SEG	Licensing	Community Financial Assistance
Customer Service	60,500		SEG	Licensing	Customer Service Management
Customer Service	12,000		GPR	Communication & Education	Communication & Education
Transfer position to reflect workload	10,000	0.25	GPR	Customer Service Management	Licensing

The recommended changes generally fall into four categories. First, GPR and SEG reallocations generally reflect reallocations intended to more equitably distribute reductions applied under 2001 Acts 16 and 109. The reallocation would allow DNR to meet the reductions within the intended bureaus' base budget. Second, DNR undertook a reorganization of its field management staff during the spring and summer of 2002 in order to restore supervision and management structures within programs. As a result of this reorganization, DNR intends to transfer staff from split-funded management subprograms directly to fish and wildlife, forestry, and parks appropriation funding. Third, the portions of the former water integration team that remained after 2001 Act 16 and Act 109 reductions would be transferred to fisheries, drinking water, and water program management functions. Finally, several adjustments are included to transfer positions and some unallotted reserves, balance supplies allocations, and to consolidate budget categories under two appropriations to reflect reduced appropriation levels.

5. GPR REDUCTIONS FOR ADMINISTRATIVE APPROPRIATIONS

GPR	- \$3,886,600
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Joint Finance/Legislature: Delete \$2,897,900 GPR in 2004-05 from the Administration and Technology program. In addition, delete \$988,700 GPR in 2004-05 from the Customer Assistance and External Relations program. This represents a 50% reduction to GPR funding provided under the Governor's recommendations for these two programs. Direct DNR to submit a plan to implement these reductions to the Secretary of DOA for approval by January 1, 2004. Require the Secretary to approve or modify the plan, and submit it to the Joint Committee on Finance for approval under the 14-day passive review process no later than March 1, 2004. Direct DNR to include proposed position reductions with the implementation plan.

Veto by Governor [B-29]: Delete the requirement that DNR submit a plan to implement these reductions to the Secretary of DOA for approval by January 1, 2004, as well as the requirement that the Secretary approve or modify the plan, and submit it to the Joint Committee on Finance for approval under the 14-day passive review process no later than March 1, 2004.

[Act 33 Vetoed Section: 9138(5g)]

6. AIDS IN LIEU OF PROPERTY TAX PAYMENTS [LFB Paper 527]

GPR	\$860,000
SEG	<u>3,000,000</u>
Total	\$3,860,000

Joint Finance/Legislature: Reestimate sum-sufficient GPR expenditures for aids in lieu of property tax payments made on land acquired by the state through DNR to be an additional \$1,425,000 in 2003-04 and \$2,435,000 in 2004-05. Provide \$425,000 GPR and \$1,000,000 SEG in 2003-04 and \$435,000 GPR and \$2,000,000 SEG (from the forestry account of the conservation fund) in 2004-05 for aids in lieu of property tax payments. Specify that the first draw for the payments be taken from the new forestry account appropriation.

Under current law, aids in lieu of property taxes are paid on property the tax year after it is purchased. Although payments from the GPR sum-sufficient appropriation are expected to exceed \$4.7 million this fiscal year, the bill, as submitted, did not include a reestimate from the \$4,190,000 GPR provided in the base for 2003-05. Further, the aids payments are adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. In addition, under the expenditure plan approved by the DNR Board, stewardship expenditures for land acquisition are expected to total \$27.6 million in 2002-03, increasing the amount and value of total state owned property eligible for aids in lieu of property tax payments. Combined, these factors indicate that total aids in lieu payments can be expected to increase substantially over the 2003-05 biennium. GPR payments required for aids in lieu of taxes under existing law would be expected to total \$5,615,000 in 2003-04 and \$6,625,000 in 2004-05.

[Act 33 Sections: 404n thru 404r]

7. AIDS IN LIEU OF TAXES FORMULA [LFB Paper 527]

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	- \$115,000	\$115,000	\$0

Joint Finance/Legislature: For lands purchased after the effective date of the budget act, adjust the current aids in lieu of property taxes formula by defining the estimated value of the property to mean the lower of the equalized value of the property prior to purchase by DNR or the purchase price (instead of the purchase price, as currently provided in statute). In cases where the property had previously been tax exempt, the last recorded equalized value would be used, or a payment of \$1 per acre would be made, whichever amount was greater. The amount determined under this formula would continue to be adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. (While modest savings would be realized in 2004-05, GPR payments for aids in lieu of property taxes would be expected to decline by between one-half and two-thirds for future purchases.)

Under current law (since 1992), when DNR acquires land, the state pays aids in lieu of property taxes on the land to the city, village or town in which the land is located in an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased (generally the purchase price), adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The municipality then pays each taxing jurisdiction (including the county and school district) a proportionate share of the payment, based on its levy. Although this formula is intended to produce a state payment that is equivalent to what is paid in property taxes, in practice, state payments typically exceed the property taxes by two or three times what would have been paid in property taxes on the parcel, because the purchase price of conservation land has routinely exceeded the property's equalized value. The revised formula would be expected to more closely reflect local property tax levels of the land at the time of purchase, though certain lands that were fully or partially

tax exempt prior to state acquisition would continue to generate greater local revenues than prior to DNR purchase.

Veto by Governor [B-20]: Delete provision.

[Act 33 Vetoed Sections: 1536bm and 1536c]

8. WARREN KNOWLES-GAYLORD NELSON STEWARDSHIP 2000 BONDING [LFB Paper 529]

	Legislature (Chg. to Base)	Veto (Chg. to Leg)	Net Change
GPR	- \$2,806,700	\$2,806,700	\$0
BR	- \$245,000,000	\$245,000,000	\$0

Joint Finance/Legislature: Reduce bonding authority under the Warren Knowles-Gaylord Nelson Stewardship 2000 program by \$245 million to \$327 million (from \$572 million currently). Specify that of the available bonding authority, \$15 million would be provided for DNR land acquisition in 2003-04 and \$10 million in 2004-05. Of the 2003-04 amount, \$5 million would be set aside to complete the final installment of the acquisition of the Peshtigo River State Forest (as approved by the Joint Committee on Finance under s. 13.10 in December, 2001). Of the remaining \$10 million in authorized bonding for 2003-04 and 2004-05, specify that \$5 million be provided for land acquisition, \$2 million for property development, and \$3 million for local assistance in each year. Beginning in 2005-06 and continuing through 2009-10, bonding authority of \$30 million (with \$22.5 million available for land acquisition and \$7.5 million available for property development and local assistance) would be provided. Specify that DNR would be permitted to postpone its allocation of bonding authority for forward borrowing associated with the Great Addition and the Peshtigo River State Forest through 2005-06.

Subsequent bond issues related to stewardship acquisitions would decrease, reducing debt service payment costs beginning in fiscal year 2003-04. Due to the timing of debt service payments and commitments of current stewardship funds, savings of approximately \$350,000 GPR in 2003-04 and \$2.4 million GPR in 2004-05 could be expected. The total reduction in debt service based on reducing bond issues by \$245 million would be roughly \$390 million over a 27-year period. Actual savings would depend on what the market conditions would have been at the time the bonds would have been issued under current law.

There would also be a savings in aids in lieu of property tax payments to local units of government. Because property does not become eligible for payments in lieu of taxes until the tax year after it is purchased, the first payments due on lands acquired during calendar year 2003 would not be made until January, 2005 (fiscal year 2004-05). Savings due to reduced aids in lieu of property taxes are estimated at \$56,700 in 2004-05. Savings would be expected to increase in future biennia.

The following table shows estimated bonding allotments as a result of the reduction.

(\$ In Millions)

	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
DNR Land Acquisition	\$21.05	\$3.00	\$3.00	\$4.50	\$16.50
NCO Acquisition	7.25	2.00	2.00	2.50	6.00
Great Addition Adjustment	8.30	0.00	0.00	6.40	0.00
Peshtigo River Adjustment	<u>8.40</u>	<u>5.00</u>	<u>0.00</u>	<u>9.10</u>	<u>0.00</u>
Subtotal	\$45.00	\$10.00	\$5.00	\$22.50	\$22.50
Property Development	7.00	2.00	2.00	3.50	3.50
Local Assistance	<u>8.00</u>	<u>3.00</u>	<u>3.00</u>	<u>4.00</u>	<u>4.00</u>
Subtotal	\$15.00	\$5.00	\$5.00	\$7.50	\$7.50
Total	\$60.00	\$15.00	\$10.00	\$30.00	\$30.00

Veto by Governor [B-18]: Delete provision.

[Act 33 Vetoed Sections: 285ag (as it relates to the stewardship program), 680r, 801c, 801f, 801h, 801j, 801m, 801p, 801t, 802g, 802h, 802j, 802k, 804f, 804g, and 804k]

9. SALE OF LAND UNDER STEWARDSHIP

Joint Finance/Legislature: Require DNR to make a good faith effort to sell \$20 million worth of land currently owned by the state each year of the 2003-05 biennium, and deposit net revenues from the sale of the land to the budget stabilization fund. Direct DNR to prioritize the sale of land to first sell land that is isolated from other publicly owned parcels, then to sell lands that could be used for agricultural purposes, and finally (if necessary) to sell other property under its jurisdiction. If there is any outstanding public debt used to finance the acquisition, construction, or improvement of property that is sold under this provision, DNR is directed to use sale revenues to first repay the principal and interest on debt, and any premium due upon refunding any of the debt. If the property was purchased with federal assistance, DNR is directed to pay the federal government any of the net proceeds required by federal law. This provision would be in effect for the 2003-05 biennium only. DNR would not be required to find that the land to be sold was no longer needed for conservation purposes.

DNR would be required to submit all proposals for the sale of land to the Joint Committee on Finance for consideration under the 14-day passive review process, and may only complete the sale of land upon Committee approval. If the Department is unable to net \$20 million from land sales each year, DNR would be required to submit a report to the Joint Committee on Finance detailing their land sale plan and the reasons why they were unable to reach that level.

Veto by Governor [B-19]: Delete provision.

[Act 33 Vetoed Section: 9138(3x)]

10. JOINT FINANCE REVIEW OF STEWARDSHIP ACQUISITIONS

Joint Finance/Legislature: Lower the threshold of Joint Finance review of stewardship land acquisition and property development projects from \$250,000 to zero. All land acquisition and property development activities under stewardship would be reviewed by the Committee under the 14-day passive review process. The \$250,000 threshold of review by the Committee would be maintained for local assistance or non-profit conservation organization (NCO) grants provided under the stewardship program.

Veto by Governor [B-21]: Delete provision. Further, repeal all passive review requirements for land acquisition, property development, and grant activities supported by funding from the Warren Knowles-Gaylord Nelson Stewardship 2000 program. The repeal is accomplished by completely vetoing the sections in the bill relating to this item, with the exception of Section 802m, which reads: "23.0917 (6)(b) of the statutes is repealed" (this provision would have repealed the \$250,000 threshold on all stewardship projects). The Governor deleted the "(b)", thereby repealing all of 23.0917 (6), which provides for the review of stewardship projects by the Joint Committee on Finance.

[Act 33 Section: 802m]

[Act 33 Vetoed Sections: 802L, 802m, and 802n]

11. BEST FORESTRY MANAGEMENT PRACTICES ON STATE-OWNED LAND

Joint Finance/Legislature: Require DNR to institute best forestry management practices for water quality on all properties under its supervision. Specify that properties with alternative management plans may be exempted from this requirement subject to the approval of the Joint Committee on Finance. For any property that DNR requests an exemption for, the Department would submit an alternative management plan and the reasons for requesting the exemption to the Committee under the 14-day passive review process. The Department may only exempt properties from the best forestry management practices requirement upon Committee approval.

Veto by Governor [B-22]: Delete provision.

[Act 33 Vetoed Section: 868p]

12. INTO THE OUTDOORS

Joint Finance/Legislature: Require DNR to provide \$750,000 annually to Discover Wisconsin Productions for the production of the "Into the Outdoors" television program.

The Department currently contracts with Discover Wisconsin Productions for \$750,000 annually to produce the nature-based television series "Into the Outdoors." Although the payment is made through the Bureau of Communication and Education, all programs within DNR contribute funding for the contract.

Veto by Governor [B-28]: Delete provision.

[Act 33 Vetoes Section: 803m]

13. CONSOLIDATION OF STATE AGENCY ATTORNEYS UNDER DOA [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$71,000	- 5.00	\$71,000	5.00	\$0	0.00
FED	- 140,900	- 6.00	140,900	6.00	0	0.00
PR	- 71,000	- 0.50	71,000	0.50	0	0.00
SEG	<u>- 98,500</u>	<u>- 5.50</u>	<u>98,500</u>	<u>5.50</u>	<u>0</u>	<u>0.00</u>
Total	-\$381,400	- 17.00	\$381,400	17.00	\$0	0.00

Governor: Delete \$163,500 (\$30,500 GPR, \$30,400 PR, \$60,400 FED and \$42,200 SEG) in 2003-04 and \$217,900 (\$40,500 GPR, \$40,600 PR, \$80,500 FED and \$56,300 SEG) in 2004-05 as well as 17.0 positions annually (5.0 GPR, 0.5 PR, 6.0 FED, and 5.5 SEG) to reflect the consolidation of executive branch attorneys under DOA, effective the later of October 1, 2003, or the first day of the third month beginning after the bill is enacted. Reallocate \$1,247,300 (\$421,500 GPR, \$438,600 FED and \$387,200 SEG) in 2003-04 and \$1,663,400 (\$562,000 GPR, \$585,000 FED and \$516,400 SEG) in 2004-05 of the remaining base level salary and fringe benefits funding that currently supports 14.0 attorney positions to DNR's supplies and services budget to pay for legal services supplied by DOA. One position for DNR's chief counsel would not be subject to transfer to DOA under the bill.

Joint Finance/Legislature: Delete provision. Direct the Secretary of DOA to delete 31.0 FTE executive branch agency attorney positions, other than attorney positions at the University of Wisconsin System, that are vacant on January 2, 2004, and lapse the associated budgeted non-FED salary and fringe benefits amounts to the general fund in 2003-04 and 2004-05. If fewer than 31.0 FTE agency attorney positions are vacant on January 2, 2004, authorize the Secretary of DOA to delete sufficient additional state agency attorney positions, other than at the University of Wisconsin System, to ensure the elimination of a total of 31.0 FTE state agency attorney positions. The additional fiscal effect of this position deletion requirement is reflected under "Administration -- Transfers to the Department."

Veto by Governor [D-2]: Delete all references to the word "attorney," so that the Secretary of DOA must eliminate 31.0 positions that are vacant as of January 2, 2004. Delete the exemption of the University of Wisconsin System, so that the only executive branch agencies that would be exempted from the position reductions are the Department of Employee Trust Funds and the Investment Board.

[Act 33 Vetoes Section: 9101(9x)]

14. DELETE DNR GPR-FUNDED ATTORNEYS

Funding Positions		
GPR	- \$1,054,500	- 5.00

Joint Finance/Legislature: Delete \$452,000 GPR in 2003-04 and \$602,500 GPR in 2004-05 with 5.0 GPR DNR attorney positions.

15. DEBT SERVICE REESTIMATES [LFB Paper 195]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$7,101,600	\$3,348,000	\$10,449,600
SEG	<u>874,900</u>	<u>0</u>	<u>874,900</u>
Total	\$7,976,500	\$3,348,000	\$11,324,500

Governor: Provide \$3,375,500 in 2003-04 (\$3,327,500 GPR and \$48,000 SEG) and \$4,601,000 in 2004-05 (\$3,774,100 GPR and \$826,900 SEG) to fund estimates of principal repayment and interest on state issued general obligation bonds. Debt service estimates include adjustments for administrative facilities, conservation land acquisition, dam repair and removal, environmental repair, rural and urban non-point source grants, combined sewer overflow, municipal clean drinking water, and pollution abatement grants.

Joint Finance/Legislature: Adopt the Governor's recommendation. In addition, provide \$2,244,200 GPR in 2003-04 and \$1,103,800 GPR in 2004-05 to reflect reestimated debt service payments.

16. FEDERAL REVENUE REESTIMATES

FED	- \$221,200
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Governor/Legislature: Delete \$110,600 annually to align anticipated federal revenues with expenditure authority for environmental planning aids (\$150,000 annually would be provided in this continuing appropriation).

17. PROGRAM REVENUE REESTIMATES

PR	\$144,800
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Governor/Legislature: Provide \$72,400 annually to adjust expenditure authority based on expected revenues in three program revenue continuing appropriations as follows:

<u>Annual Adjustment</u>	
Wildlife Management	\$30,300
Endangered Resources	22,400
Fisheries Management	<u>19,700</u>
Total	\$72,400

18. SEGREGATED REVENUE REESTIMATES [LFB Paper 526]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$185,600	\$400,000	\$585,600

Governor: Provide \$118,500 SEG in 2003-04 and \$67,100 SEG in 2004-05 to reflect the anticipated receipt of segregated revenues as follows:

	<u>2003-04</u>	<u>2004-05</u>
Wild Turkey Restoration	\$284,400	\$284,400
Pheasant Restoration	-124,600	-124,600
Endangered Resources donations	0	348,600
Great Lakes Trout and Salmon	26,700	-373,300
Trout Habitat	-13,000	-13,000
Natural Resources Magazine	<u>-55,000</u>	<u>-55,000</u>
Total	\$118,500	\$67,100

Joint Finance/Legislature: Reestimate expenditures for Great Lakes trout and salmon projects by providing \$400,000 SEG in 2004-05 to reflect anticipated revenue for the appropriation. DNR had requested a reduction in expenditure authority under the appropriation for Great Lakes trout and salmon stamp projects to reflect estimated expenditures in 2004-05. However, the reduction was tied to an anticipated increase in another stamp revenue supported appropriation related to the renovation of a fish hatchery, a project which was not subsequently included in the Governor's budget bill. When the expenditure increase related to the fish hatchery project was denied, no corresponding change was made to the appropriation for Great Lakes trout and salmon stamp projects to reflect revenues anticipated to be available.

Fish, Wildlife, and Recreation

1. HUNTING AND FISHING LICENSE FEES [LFB Paper 530]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG-REV	\$23,294,500	- \$11,674,100	\$11,620,400

Governor: Increase the fees for certain hunting and fishing licenses as shown in the following table.

The fees in the table include the issuing fee and the wildlife damage surcharge where applicable. The last general fee increase occurred in April, 1997.

It is estimated that the Governor's recommended fee package would generate additional fish and wildlife account revenues of approximately \$7,020,800 in 2003-04 and \$16,273,700 in 2004-05. While the bill would increase fees upon enactment, the revenue estimates are based on an April 1, 2004, implementation (to coincide with the start of a new license year).

Joint Finance/Legislature: Delete the Governor's provision. Instead, effective April 1, 2004, provide for the hunting and fishing fee modifications shown in the following table.

	<u>Current Fee</u>	<u>Governor</u>	<u>Act 33</u>	<u>Act 33 Change to Current Law</u>
Resident Hunting				
Small Game	\$14.00	\$20.00	\$16.00	\$2.00
Senior Small Game	7.00	10.00	8.00	1.00
Youth Small Game	8.00	10.00	9.00	1.00
Deer	20.00	32.00	20.00	0.00
Elk	41.00	41.00	45.00	4.00
Bonus Deer Permit	12.00	12.00	12.00	0.00
Class A Bear	41.00	49.00	45.00	4.00
Class B Bear	8.00	14.00	14.00	6.00
Archer	20.00	32.00	20.00	0.00
Wild Turkey Permit	11.00	14.00	13.00	2.00
Trapping	18.00	20.00	20.00	2.00
Nonresident Hunting				
Annual Small Game	75.00	80.00	80.00	5.00
Five-Day Small Game	43.00	50.00	50.00	7.00
Deer	135.00	160.00	160.00	25.00
Elk	201.00	201.00	251.00	50.00
Bonus Deer Permit	20.00	20.00	20.00	0.00
Class A Bear	201.00	251.00	251.00	50.00
Class B Bear	100.00	110.00	110.00	10.00
Archer	135.00	160.00	160.00	25.00
Wild Turkey Permit	55.00	60.00	60.00	5.00
Fur-bearing Animal	150.00	160.00	160.00	10.00
Hunting Stamps				
Pheasant Stamp	7.25	7.25	7.25	0.00
Wild Turkey Stamp	5.25	5.25	5.25	0.00
Waterfowl Stamp	7.00	7.00	7.00	0.00
Resident Fishing				
Annual	14.00	20.00	17.00	3.00
Husband and Wife	24.00	35.00	29.00	5.00
Senior Annual	7.00	10.00	7.00	0.00
Youth Annual	7.00	7.00	7.00	0.00
Sturgeon Spearing	20.00	20.00	20.00	0.00
Disabled	7.00	10.00	7.00	0.00
Disabled Veteran	3.00	3.00	3.00	0.00

	<u>Current Fee</u>	<u>Governor</u>	<u>Act 33</u>	<u>Act 33 Change to Current Law</u>
Nonresident Fishing				
Individual:				
Annual	\$34.00	\$40.00	\$40.00	\$6.00
Fifteen-Day	20.00	24.00	24.00	4.00
Four-Day	15.00	18.00	18.00	3.00
Sturgeon Spearing	50.00	50.00	50.00	0.00
Family Annual	52.00	65.00	65.00	13.00
Family Fifteen-Day	30.00	40.00	40.00	10.00
Fishing Stamps				
Two-Day Great Lakes	10.00	14.00	14.00	4.00
Inland Trout Stamp	7.25	7.25	7.25	0.00
Great Lakes Salmon and Trout Stamp	7.25	10.00	10.00	2.75
Resident Multiple Licenses				
Conservation Patron	110.00	140.00	140.00	30.00
Sports License	43.00	53.00	45.00	2.00
Nonresident Multiple Licenses				
Conservation Patron	575.00	600.00	600.00	25.00
Sports License	240.00	275.00	275.00	35.00
Duplicate Licenses				
Patron - tags	11.00	13.00	13.00	2.00
Patron - no tags	8.00	10.00	10.00	2.00
Sports - tags	11.00	13.00	13.00	2.00
Sports - no tags	8.00	10.00	10.00	2.00
Gun deer hunting	11.00	13.00	13.00	2.00
Archery - tags	11.00	13.00	13.00	2.00
Archery - no tags	8.00	10.00	10.00	2.00
Other hunting licenses	7.00	8.00	8.00	1.00
Fishing	7.00	9.00	9.00	2.00
Application Fees	3.00	3.00	3.00	0.00

The modified fee package is estimated to generate additional revenues to the fish and wildlife account of \$4,614,000 in 2003-04 and \$7,006,400 in 2004-05 (a reduction to the Governor's recommendation of \$2,406,800 in 2003-04 and \$9,267,300 in 2004-05).

[Act 33 Sections: 876 thru 899, 900, 901, 902, 903 thru 905, and 9438(1q)]

2. JUNIOR COMBINATION LICENSES

Joint Finance/Legislature: Create a junior conservation patron license (priced at \$75 annually) and a junior sportsmen license (priced at \$35 annually). These annual licenses will have the same privileges as the existing conservation patron and sportsmen licenses, but would only be sold to individuals who are at least 12 years old but no more than 17 years old at the time that the license is purchased. Both the junior conservation patron license and the junior sportsmen license would be available to residents and non-residents for the same fee. The revenue impact of the new license is not readily determinable.

[Act 33 Sections: 899e, 900e, 901e, 902e, 905am, and 905b]

3. FISH AND WILDLIFE FUNDING ADJUSTMENTS

Funding Positions		
SEG	- \$7,932,700	- 30.00

Governor/Legislature: In order to limit expenditures from the segregated fish and wildlife account, reduce the following appropriations by \$5,456,100 and 22.0 positions in 2003-04 and by \$2,476,600 and 30.0 positions in 2004-05:

	2003-04		2004-05	
	<u>Funding</u>	<u>FTE</u>	<u>Funding</u>	<u>FTE</u>
Wildlife Management	-\$1,000,300	0.00	-\$323,300	0.00
Facilities and Lands*	-274,700	0.00	-101,700	0.00
Law Enforcement	-1,005,000	-6.00	-250,000	-6.00
Integrated Science Services*	-270,000	-2.00	-100,000	-2.00
Fisheries Management	-1,275,000	0.00	-425,000	-8.00
Fish and Wildlife Aids	-150,000	0.00	0.00	0.00
Resource Acquisition and Development	-283,300	0.00	-283,300	0.00
Finance	-249,300	-3.00	-249,300	-3.00
Administrative and Field Services*	-321,000	-4.50	-321,000	-4.50
Enterprise Information, Technology, and Applications*	77,000	0.00	77,000	0.00
Customer Service and Licensing*	-646,300	-5.0	-412,200	-5.00
Communication and Education*	-17,200	-0.50	-56,500	-0.50
Customer Assistance Program Management*	<u>-41,000</u>	<u>-1.00</u>	<u>-31,300</u>	<u>-1.00</u>
Total	-\$5,456,100	-22.00	-\$2,476,600	-30.00

*The reduction in expenditure authority to these appropriations, that are funded from several conservation fund accounts, would be considered a reduction in the fish and wildlife account's liability for these shared administrative costs.

Reductions include the elimination of funding for fish and wildlife habitat projects through the Wisconsin Conservation Corps, a one-time reduction in aids to counties for fish and game projects, reductions in administrative funding, and reductions in funding for fish and wildlife-related enforcement and science programs.

4. FISH AND WILDLIFE ADMINISTRATIVE REDUCTION [LFB Paper 528]

SEG	- \$3,000,000
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Joint Finance/Legislature: Delete \$1,500,000 SEG annually in fish and wildlife account expenditures related to the Department's Administration and Technology general operations [s. 20.370 (8)(mu)].

5. **WILDLIFE DISEASE MANAGEMENT – CHRONIC WASTING DISEASE** [LFB Paper 531]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$3,060,500	1.00	-\$360,000	0.00	\$2,700,500	1.00
FED	0	0.00	360,000	0.00	360,000	0.00
Total	\$3,060,500	1.00	\$0	0.00	\$3,060,500	1.00

Governor: Provide \$1,594,700 in 2003-04 and \$1,465,800 with 1.0 position in 2004-05 from the fish and wildlife account for efforts relating to the management of wildlife diseases, with a primary focus on Chronic Wasting Disease (CWD) in the state deer herd. Other diseases of concern include West Nile virus, and tuberculosis in elk and deer. The position provided would allow DNR to convert 1.0 project veterinary specialist position to permanent. Of the funds provided, \$1,017,800 annually would support disease management efforts, including testing and disposal costs, the continued support of project data manager and public information officer positions provided under 2001 Act 108, and additional LTE support. In addition, \$249,900 in 2003-04 and \$126,000 in 2004-05 would be provided for increased law enforcement costs related to CWD, such as air surveys, overtime, vehicle costs, and supplies. Research costs related to CWD (such as equipment, travel, and LTE support) would be funded at \$279,000 annually. Finally, funding for public outreach efforts (including overtime, travel, technical support, postage, and costs associated with public meetings) of \$48,000 in 2003-04 and \$43,000 in 2004-05 would be provided.

2001 Act 108 provided \$4,000,100 SEG in one-time funding in 2002-03 (and 3.0 project positions in DNR) for CWD management efforts. The Joint Committee on Finance approved an additional \$340,000 in one-time funding for CWD management in December, 2002, under s. 13.10 of the statutes. Under the bill, the veterinary position would be converted to permanent while funding for the remaining 2.0 project positions would be converted from wildlife damage revenues to general fish and wildlife account funding.

Joint Finance/Legislature: Approve the Governor's recommendation to provide \$1,594,700 in 2003-04 and \$1,465,800 with 1.0 position in 2004-05. However, specify that the funding would be provided from wildlife damage surcharge revenues. Further, provide \$360,000 FED in 2003-04 only from the administrative federal indirect appropriation for CWD management, and delete a corresponding amount of expenditure authority from wildlife damage surcharge revenues. Further, provide a technical correction to delete an obsolete CWD appropriation and to correctly number another. The wildlife damage revenue appropriation would be expected to have a June 30, 2005, balance of approximately \$0.9 million under the bill.

The federal indirect appropriation is a continuing, all moneys received appropriation for funds received from the federal government as reimbursement of indirect costs of grants and contracts. Funds may be used for administrative purposes, program purposes, funding of positions, payment of federal aid disallowances, or other purposes authorized by law.

[Act 33 Sections: 404t thru 404x, and 9138(3d)]

6. TRIBAL GAMING REVENUE TRANSFER TO THE FISH AND WILDLIFE ACCOUNT

SEG-REV	\$1,000,000
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Governor/Legislature: Increase the amount of tribal gaming revenues transferred to the fish and wildlife account of the conservation fund by \$500,000 annually. Currently, the fish and wildlife account receives \$2.5 million each year from tribal gaming revenues.

[Act 33 Section: 606]

7. AUTOMATED LICENSE ISSUANCE SYSTEM FUNDING

SEG	\$950,500
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Governor/Legislature: Provide \$503,100 in 2003-04 and \$447,400 in 2004-05 from the fish and wildlife account for costs associated with the operation of the Automated License Issuance System (ALIS). The Department administers the automated hunting and fishing license sales system to provide a wide variety of licenses authorizing residents and nonresidents to hunt, fish, and trap wild game. Base funding for ALIS is \$3,248,900 annually. However, the base does not include \$803,200 provided to DNR as one-time funding in 2002-03 by the Joint Committee on Finance in December, 2002, under s. 13.10 of the statutes to continue operating ALIS under a new contract.

8. CAR-KILLED DEER

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	-\$629,200	\$816,700	\$187,500
SEG	<u>1,004,200</u>	<u>- 816,700</u>	<u>187,500</u>
Total	\$375,000	\$0	\$375,000

Governor: Provide \$87,500 SEG in 2003-04 and \$100,000 SEG in 2004-05 from the fish and wildlife account of the conservation fund for increased costs associated with the removal and disposal of car-killed deer statewide. Further, delete base funding of \$314,600 GPR annually, convert the appropriation to transportation fund SEG, and provide \$402,100 SEG in 2003-04 and \$414,600 SEG in 2004-05.

Prior to 1997 Act 27, costs associated with the removal of car-killed deer were evenly divided between the fish and wildlife account of the conservation fund and the transportation fund. The 1997-99 biennial budget transferred the costs of deer removal supported by the transportation fund to GPR. This provision would restore the pre-1997 division between the transportation and conservation funds. Under the bill, car-killed deer removal and disposal costs would be funded at \$804,200 SEG in 2003-04 and \$829,200 SEG in 2004-05.

Joint Finance/Legislature: Delete the transportation fund appropriation for the removal of car-killed deer. Instead, maintain the current GPR appropriation for this purpose, funded at

the same level as provided from the transportation fund under the Governor's recommendation.

9. ENDANGERED RESOURCES FUNDING CAP

GPR	- \$273,800
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Governor/Legislature: Lower the maximum amount that may be provided from the sum sufficient GPR appropriation as a match to the income tax check off and other donations received by the endangered resources program within the conservation fund to \$312,200 in 2003-04 (a decrease of \$162,800 from the 2002-03 base) and \$364,000 in 2004-05 (a decrease of \$111,000 from the 2002-03 base) only. The maximum matching GPR funds provided would increase to \$500,000 annually in subsequent years. Under current law, the previous maximum GPR contribution of \$500,000 annually was statutorily reduced to \$475,000 for 2002-03.

[Act 33 Sections: 394 thru 396]

10. ELIMINATE BACKTAG REQUIREMENT

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg)	Net Change
SEG-REV	- \$30,800	\$30,800	\$0

Joint Finance/Legislature: Eliminate the requirement that DNR issue a backtag to individuals purchasing a resident or non-resident deer hunting license. Revenues to the fish and wildlife account would be reduced by approximately \$15,400 annually relating to the sale of reserved backtag numbers.

Veto by Governor [B-27]: Delete provision.

[Act 33 Vetoed Sections: 873m, 873p, 873r, 874c, 874e, 874m, 874o, 874q, 874s, 874u, 875m, 905d, and 905f]

11. CRANE DAMAGE STUDY APPROPRIATION REPEAL [LFB Paper 133]

Joint Finance/Legislature: Repeal an obsolete appropriation that had been used for one-time funding of a wild crane crop damage study from tribal gaming revenues.

[Act 33 Sections: 398r and 609m]

12. COASTER BROOK TROUT [LFB Paper 131]

PR	- \$40,000
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Governor: Correct a technical error in 2001 Act 16 by transferring the coaster brook trout reintroduction tribal gaming revenue appropriation from the wildlife program to the fisheries program within DNR.

Joint Finance/Legislature: Delete \$20,000 PR annually (as well as the corresponding appropriation) from tribal gaming revenues for coaster brook trout reintroduction efforts in Lake Superior.

[Act 33 Sections: 398m and 609j]

13. EXPENDITURE AUTHORITY FOR FALCONRY FEES

Governor/Legislature: Reallocate revenues received from the sale of falconry permits from the fish and wildlife account to the endangered resources account of the conservation fund. Under current law, DNR may charge a fee for the issuance of a permit to authorize individuals to take raptors to be used in hunting by falconry. The revenue from these permits (approximately \$15,000 annually) is currently deposited in the fish and wildlife account. The bill would allocate these revenues to the endangered resources account.

[Act 33 Sections: 397 and 875]

14. LIMITED-TERM EMPLOYMENT SPECIAL WARDENS [LFB Paper 532]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$400,000	- \$400,000	\$0

Governor: Provide \$200,000 SEG annually from the fish and wildlife account for LTE special wardens to serve as safety backups to DNR conservation wardens. While allocation of funding between the number of LTEs hired and increases in wage rates would be at the discretion of DNR, this funding could allow DNR to increase the hourly rate of pay from \$9 to \$14 per hour, and increase the number of LTE special wardens (working an average of 236 hours annually) from approximately 119 to 140.

Joint Finance/Legislature: Delete provision.

15. WARDEN OVERTIME FUNDING [LFB Paper 533]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$136,400	- \$60,200	\$76,200

Governor: Provide \$68,200 annually (\$35,800 from the boat account, \$20,800 from the snowmobile account, \$9,300 from the ATV account of the conservation fund, and \$2,300 from the recycling fund) for additional warden overtime costs. Overtime funding support would aid conservation wardens in their investigation of accidents, instruction of safety education courses, and public safety and resource protection efforts.

Joint Finance/Legislature: Modify the Governor's recommendation to provide \$38,100 annually (\$35,800 from the boat account, and \$2,300 from the recycling fund) for additional warden overtime costs. Funding from the snowmobile and ATV accounts would not be included.

16. WARDEN OPERATING EXPENDITURES [LFB Paper 533]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$79,200	- \$35,000	\$44,200

Governor: Provide \$39,600 annually (\$20,800 from the boat account, \$12,100 from the snowmobile account, \$5,400 from the ATV account of the conservation fund, and \$1,300 from the recycling fund) for increased operating costs incurred by conservation wardens. Operating costs include in-service and recruit training, rental space, and mileage.

Joint Finance/Legislature: Modify the Governor's recommendation to provide \$22,100 annually (\$20,800 from the boat account, and \$1,300 from the recycling fund) for increased operating costs incurred by conservation wardens. Funding from the snowmobile and ATV accounts would not be included.

17. WARDEN RADIO EQUIPMENT REPLACEMENT [LFB Paper 533]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$35,000	- \$15,400	\$19,600

Governor: Provide \$17,500 annually (\$9,200 from the boat account, \$5,300 from the snowmobile account, \$2,400 from the ATV account of the conservation fund, and \$600 from the recycling fund) to begin the replacement of the mobile and portable radio system for conservation wardens.

Joint Finance/Legislature: Modify the Governor's recommendation to provide \$9,800 annually (\$9,200 from the boat account, and \$600 from the recycling fund) to begin the replacement of the mobile and portable radio system for conservation wardens. Funding from the snowmobile and ATV accounts would not be included.

18. SNOWMOBILE WARDEN TRANSFER

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$677,600	- 4.50	\$799,000	4.50	\$121,400	0.00
SEG	<u>677,600</u>	<u>4.50</u>	<u>- 799,000</u>	<u>- 4.50</u>	<u>- 121,400</u>	<u>0.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Transfer \$338,800 and 4.5 enforcement positions annually from tribal gaming program revenue allocations to the snowmobile account of the conservation fund. Under the bill, \$626,500 PR and 4.5 PR positions annually would remain funded by tribal gaming program revenue allocations.

Joint Finance/Legislature: Delete the Governor's recommendation. Rather, transfer \$60,700 annually in snowmobile SEG enforcement costs to tribal gaming revenues (all remaining snowmobile SEG for state enforcement).

19. GPR SNOWMOBILE TRAIL AIDS

GPR	- \$250,000
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Governor/Legislature: Delete \$125,000 annually to eliminate GPR funding for snowmobile trail and area aids.

20. SNOWMOBILE TRAIL AIDS [LFB Papers 137, 535, and 536]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Veto (Chg. to Leg)	Net Change
SEG	\$26,500	-\$3,144,500	\$0	-\$3,118,000
PR	<u>0</u>	<u>1,000,000</u>	<u>- 1,000,000</u>	<u>0</u>
Total	\$26,500	-\$2,144,500	-\$1,000,000	-\$3,118,000

Governor: Decrease snowmobile trail aids by \$90,800 in 2003-04 and increase aids by \$117,300 in 2004-05 from the snowmobile account of the conservation fund. The reestimates are a result of an estimated increase in revenues from the sale of non-resident trail pass stickers (from 36,600 in 2001-02 to 60,000 annually) as well as increases in the motor fuel excise tax (which is included in the formula for determining the amount of the snowmobile fuel tax transfer). Conversely, primarily due to an adjustment in how registrations are counted beginning in 2002-03, the number of registered snowmobiles is expected to decrease from 2002-03 budgeted levels.

Joint Finance/Legislature: Decrease supplemental snowmobile trail aids by \$583,900 SEG in 2003-04 and by \$358,900 SEG in 2004-05 to reflect estimated revenues from the sale of non-resident snowmobile trail passes. Further, decrease trail aids by \$557,200 in 2003-04 and by \$644,500 in 2004-05 to reflect reestimates of the motor fuel tax revenue transfer.

A portion of the snowmobile trail aids reestimate under the bill is a result of the administration's estimate of an increase in revenues from the sale of non-resident trail pass stickers (from 36,000 in 2001-02 to 60,000 annually) over the biennium. However, the lack of snow during the winter of 2002-03 led to a significant decrease in trail pass sales (approximately 21,100 were sold). The number of trail passes sold in 2002-03 is used to calculate the supplemental trail aids contribution in 2003-04. Revenue estimates for 2004-05 were also adjusted, due to projected sales of 36,100 non-resident trail passes in 2003-04.

The total amount of motor fuel tax revenue to be transferred to the snowmobile account is reestimated to be \$4,102,800 in 2003-04 and \$4,223,600 in 2004-05. The reestimates are based on: (a) the actual motor fuel tax rate of 28.1¢ per gallon on February 28, 2003 and 28.5¢ on February 28, 2004; and (b) the actual 208,581 snowmobiles registered on February 28, 2003, and an estimated 211,710 snowmobiles registered on February 28, 2004.

Finally, provide \$500,000 PR annually from tribal gaming revenues for snowmobile trail aids, and delete a corresponding amount of snowmobile SEG in order to balance anticipated snowmobile account revenues with authorized expenditures. Snowmobile trail aids would total \$7.7 million in 2003-04 and \$8.1 million in 2004-05.

Veto by Governor [B-24]: Delete the \$500,000 PR provided annually from tribal gaming revenues and the associated annual PR appropriation for snowmobile trail aids. The corresponding reduction in trail aids expenditures from snowmobile account SEG is maintained. Snowmobile trail aids are expected to total \$7.2 million in 2003-04 and \$7.6 million in 2004-05.

[Act 33 Vetoed Sections: 286 (as it relates to s. 20.370(5)(ck)), 404c, 609k, and 2608m]

21. ALL-TERRAIN VEHICLE TRAIL AIDS [LFB Papers 536]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$815,900	- \$400,300	\$415,600

Governor: Provide \$293,200 in 2003-04 and \$522,700 in 2004-05 from the ATV account of the conservation fund to provide increased funding for ATV trail aids. The bill would increase local trail aids funded from ATV registrations by \$125,000 annually and those from increased ATV gas tax revenues by \$168,200 in 2003-04 and by \$397,700 in 2004-05.

Joint Finance/Legislature: Decrease ATV trail aids by \$39,500 SEG in 2003-04 and by \$100,800 SEG in 2004-05 to reflect reestimates of the motor fuel tax revenue transfer as well as to make a technical correction to the appropriation in order to accurately reflect the estimated gas tax transfer. In addition, further decrease general trail aids supported by registration revenues by \$130,000 annually to reflect adjusted revenue estimates for the ATV account for the 2003-05 biennium.

The total amount of motor fuel tax revenue to be transferred to the ATV account is estimated to be \$1,237,400 in 2003-04 and \$1,405,600 in 2004-05. The reestimates are based on: (a) the actual motor fuel tax rate of 28.1¢ per gallon on February 28, 2003 and 28.5¢ on February 28, 2004; and (b) the actual 176,146 ATVs registered on February 28, 2003, and an estimated 197,284 ATVs registered on February 28, 2004. Local ATV trail aids would total \$1.7 million in 2003-04 and \$1.9 million in 2004-05.

22. ATV SAFETY ENHANCEMENT GRANT PROGRAM [LFB Paper 537]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Veto (Chg. to Leg)	Net Change
SEG	\$200,000	- \$200,000	- \$300,000	- \$300,000

Governor: Provide \$100,000 SEG annually from the ATV account of the conservation fund to increase funds available for the ATV safety enhancement grant program. The program was created in 2001 Act 16, and is funded at \$250,000 annually under current law. This grant, made available to a non-profit organization (National Off-Highway Vehicle Insurance Services Group, Inc. in 2001-02), is intended to assist DNR in promoting the operation of ATVs in a safe and responsible manner, recruiting and training volunteer ATV safety instructors, and improving relationships with groups that promote recreational ATV operation.

Joint Finance/Legislature: Delete provision.

Veto by Governor [B-25]: Reduce funding for the ATV safety enhancement grant program by \$150,000 each year, to \$100,000 SEG annually, by crossing out "\$250,000" and writing in "\$100,000" in the appropriations schedule for each year.

[Act 33 Vetoed Section: 286 (as it relates to 20.370 (5)(cx))]

23. LOCAL ATV ENFORCEMENT AIDS

SEG	\$90,000
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Governor/Legislature: Provide \$30,000 in 2003-04 and \$60,000 in 2004-05 from the ATV account to increase funds available for enforcement aids for local law enforcement patrols. This program has base funding of \$70,000 annually.

24. MOTORCYCLE RECREATION AIDS

SEG	- \$172,000
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Governor/Legislature: Delete \$72,000 SEG in 2003-04 and \$100,000 SEG in 2004-05 to reflect an estimation of available revenues to the motorcycle account of the conservation fund. Currently, the only source of revenue to the motorcycle account is the investment income earned on the account's cash balance. Prior to 1981, the account was also funded by a \$2 surcharge on motorcycle registrations. Under the bill, \$28,000 would be available in 2003-04 for

motorcycle recreational trail aids and no funds would be made available for expenditure in subsequent years.

Forestry and Parks

1. FORESTRY FUNDING TRANSFER

Governor/Legislature: Transfer \$38,345,000 SEG and 455.94 SEG positions annually from the general land management operations appropriation to a new, annual Division of Forestry appropriation. This transfer is intended to improve the Department's ability to track expenditures from the forestry account, as well as provide a clearer identity for the Division of Forestry.

[Act 33 Sections: 399, 400, 404, 869, 1647, 1652, and 1653]

2. FORESTER POSITION REDUCTION [LFB Paper 545]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	- 20.00	20.00	0.00

Governor: Delete 20.0 SEG positions in 2004-05 supported by the forestry account of the conservation fund. Transfer \$1,064,200 in 2004-05 from salary and fringe benefit allocations for these positions to supplies and services. Funds associated with the 20 positions would instead be available for other expenditures, primarily for hiring consulting foresters to assist DNR staff in completing management plans for non-industrial forest landowners under the Managed Forest Law (MFL) program.

Joint Finance/Legislature: Delete provision.

3. SHIFT STEWARDSHIP DEBT SERVICE TO FORESTRY ACCOUNT [LFB Paper 546]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	-\$16,000,000	-\$4,000,000	-\$20,000,000
SEG	<u>16,000,000</u>	<u>4,000,000</u>	<u>20,000,000</u>
Total	\$0	\$0	\$0

Governor: Shift \$8 million annually from GPR to forestry account SEG for the payment of principal and interest related to the acquisition and development of forested properties under

the Warren Knowles-Gaylord Nelson Stewardship program. No moneys may be expended or encumbered from the forestry SEG appropriation after June 30, 2005. Under the bill, debt service payments primarily related to the stewardship program would increase (from \$30.9 million in 2002-03) by approximately \$3.8 million in 2003-04 (to \$34.7 million) and by \$7.3 million in 2004-05 (to \$38.2 million). The bill also specifies that the first draw for payments related to stewardship debt service would be taken from the forestry account appropriation, with remaining payments made from the sum-sufficient GPR appropriation.

Joint Finance/Legislature: Approve the Governor's recommendation. Further, shift an additional \$2 million annually from GPR to forestry account SEG for debt service payments (for a total of \$10 million each year).

[Act 33 Sections: 412 and 413]

4. FORESTRY FACILITIES AND CONSTRUCTION PROJECTS

SEG	\$4,031,100
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Governor/Legislature: Provide \$2,600,100 in 2003-04 and \$1,431,000 in 2004-05 in one-time financing from the forestry account of the conservation fund for development projects. Projects would include new ranger stations at Pembine (Marinette County) and Winter (Sawyer County), the addition of a greenhouse at the Madison-based research center, remodeling or facility expansion at three tree nurseries, and the addition of heating to a storage building for fire equipment storage.

5. FIRE MANAGEMENT, SAFETY, AND COMMUNICATIONS

SEG	\$2,000,100
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Governor/Legislature: Provide \$1,033,800 in 2003-04 and \$966,300 in 2004-05 from the forestry account for the fire management, safety, and communications program. Requested funds would be used to expand the cooperative fire program by providing funding for LTE foresters, training for local fire department personnel, additional funds for fire suppression costs associated with fires on state owned land, and equipment maintenance and upgrade. In addition, funds would be available for increased forest fire aircraft surveillance, LTE firefighters, and the development of a wildfire prevention and public education campaign.

6. MANAGED FOREST LAW (MFL) [LFB Paper 545]

SEG	\$1,000,000
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Governor/Legislature: Provide an additional \$500,000 annually from the forestry account for contracts with consultant foresters to prepare MFL plans for new program enrollees. Base funding of \$300,000 annually is available for contracts.

7. FOREST AID REESTIMATE

SEG	\$164,000
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Governor/Legislature: Provide \$63,000 in 2003-04 and \$101,000 in 2004-05 from the forestry account to increase funding available for aids to local units of government for land enrolled in the Managed Forest Law (MFL) and Forest Crop Law (FCL), as well as for county forest lands. DNR is required to provide aid to towns, villages, and counties for acreage enrolled in forest tax law programs (20¢ per acre) and acreage held in county forests (30¢ per acre). The number of acres enrolled in MFL has been increasing annually, necessitating the reestimate of required payments from this sum-sufficient appropriation to \$1,311,400 in 2003-04 and \$1,349,400 in 2004-05.

8. COUNTY FOREST ADMINISTRATOR GRANT PROGRAM

SEG	\$402,200
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Governor/Legislature: Provide \$140,000 in 2003-04 and \$262,200 in 2004-05 from the forestry account of the conservation fund to provide salary adjustments for county forest administrator positions already funded by the grant program, as well as to provide an additional grant in each year of the biennium to Wood and Langlade Counties that are expected to enroll in the program. Base funding for the program is \$895,000 in 2002-03.

9. URBAN FORESTRY GRANT PROGRAM [LFB Paper 549]

SEG	- \$200,000
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Joint Finance/Legislature: Delete \$100,000 SEG annually from the urban forestry grant program to remove one-time funding not deleted during file maintenance associated with the 2003-05 biennial budget.

Under 2001 Act 16 (the 2001-03 budget bill), funding for the grant program was increased by \$200,000 SEG in 2001-02 and \$100,000 SEG in 2002-03 to increase funding available for grants under the program. The \$100,000 increase in 2002-03 was entered into the budget system as one-time funding for the urban forestry grant program. However, due to an error, this funding was not deleted when standard budget adjustments were calculated for the 2003-05 budget.

10. KETTLE MORaine INVASIVE SPECIES CONTROL

SEG	\$280,000
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Governor/Legislature: Provide \$140,000 annually from the forestry account to increase efforts to control and eradicate invasive species in the Kettle Moraine State Forest. Current invasive species on the property include garlic mustard, buckthorn, and purple loosestrife.

11. KARNER BLUE BUTTERFLY HABITAT CONSERVATION PLAN IMPLEMENTATION [LFB Paper 547]

	<u>Governor (Chg. to Base)</u>		<u>Jt. Finance/Leg. (Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$176,400	0.00	\$0	1.00	\$176,400	1.00

Governor: Provide \$91,800 in 2003-04 and \$84,600 in 2004-05 from the forestry account for LTE support, surveying, monitoring, and reporting project costs related to the implementation and administration of the statewide Karner blue butterfly habitat conservation plan. Funding would also be provided for training costs and outreach education initiatives in conjunction with the conservation plan.

Joint Finance/Legislature: Approve the Governor's recommendation. In addition, provide 1.0 position from existing expenditure authority under the forestry account for plan oversight and implementation.

12. FORESTRY PROGRAM OPERATIONS

SEG	\$123,400
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Governor/Legislature: Provide \$65,700 in 2003-04 and \$57,700 in 2004-05 from the forestry account for forestry operations. Funding would support digital network connections at the Trout Lake Station and the LeMay Forestry Center, as well as supplies for the urban forestry program.

13. APPLICATION OF FOREST SCIENCE

SEG	\$66,800
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Governor/Legislature: Provide \$33,400 annually from the forestry account for forest science initiatives within DNR, including the development of a database to track management plans under MFL and related software license fees.

14. SOUTHERN FORESTS OPERATIONS

	<u>Governor (Chg. to Base)</u>	<u>Jt. Finance/Leg. (Chg. to Gov)</u>	<u>Net Change</u>
SEG	\$385,000	- \$385,000	\$0

Governor: Provide \$192,500 annually from the forestry account of the conservation fund for increased LTE, supplies, services, facility maintenance and utility costs. Funding also includes \$15,000 annually for the replacement of mobile and portable radios for use at southern forests.

Joint Finance/Legislature: Delete provision.

15. SOUTHERN FOREST BUILDING MAINTENANCE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$60,000	- \$60,000	\$0

Governor: Provide \$30,000 annually from the forestry account for operations (including basic maintenance and cleaning) at new buildings on southern forest properties (such as Kettle Moraine South, Lapham Peak, and Point Beach). Funding includes \$20,500 for supplies and \$9,500 for LTEs annually.

Joint Finance/Legislature: Delete provision.

16. POINT BEACH STATE FOREST OPERATIONS [LFB Paper 548]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$50,000	- \$22,400	\$27,600

Governor: Provide \$25,000 annually from the forestry account to provide additional limited-term employee (LTE) support to staff a new public entrance and visitor services building at Point Beach State Forest. Funding would provide approximately 1,600 hours for LTE rangers with law enforcement credentials at the property for security and customer service duties.

Joint Finance/Legislature: Modify the Governor's position to provide \$13,800 annually from the forestry account. The funding provided would be sufficient to support an LTE for administrative and customer service duties.

17. TRAILS OPERATIONS FUNDING

SEG	\$30,000
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Governor/Legislature: Provide \$15,000 annually from the forestry account for the maintenance of expanded trails and related improvements in the Southern Kettle Moraine State Forest.

18. CENTENNIAL STATE PARKS OPERATIONS [LFB Paper 136]

	Jt. Finance/Leg. (Chg. to Base)		Veto (Chg. to Leg)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$254,600	2.00	- \$254,600	- 2.00	\$0	0.00

Joint Finance/Legislature: Provide \$105,100 in parks account SEG in 2003-04 and \$149,500 in 2004-05 with 2.0 SEG positions for operations of the Tommy G. Thompson (\$69,100 in 2003-04 and \$89,500 in 2004-05 with a facility repair position) and Capital Springs (\$36,000 in 2003-04 and \$60,000 in 2004-05 with a natural resources educator position) Centennial State Parks.

The Centennial State Parks were created on October 31, 2000, in honor of the 100th anniversary of Wisconsin's State Park system. Currently, the Tommy G. Thompson Centennial State Park in Marinette County has an annual operations budget of \$30,000 SEG in addition to funding for 2.0 staff (a park manager and a natural resources educator). Capital Springs Centennial State Park in Dane County receives \$25,000 SEG annually for operations funding and is also allocated 1.0 park manager position.

Veto by Governor [B-23]: Delete provision.

[Act 33 Vetoes Section: 286 (as it relates to s. 20.370(1)(mu))]

19. TRIBAL GAMING REVENUE TRANSFER TO PARKS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG-REV	\$2,600,000	- \$1,300,000	\$1,300,000

Governor: Transfer \$1,300,000 each year from tribal gaming revenues to the parks account of the conservation fund. The transfer would occur in the 2003-05 biennium only.

Joint Finance/Legislature: Transfer \$650,000 annually (rather than \$1,300,000) from tribal gaming revenues to the segregated parks account of the conservation fund each year of the 2003-05 biennium only.

[Act 33 Section: 9238(3)]

20. STATE PARKS ADMINISTRATIVE FUNDING ADJUSTMENT

	Funding Positions	
SEG	- \$1,600,000	- 5.00

Governor/Legislature: In order to limit parks SEG expenditures, reduce the following administration, technology, customer assistance, and licensing SEG appropriations supported by the parks account by \$800,000 and 3.0 positions in 2003-04 and by \$800,000 and 5.0 positions in 2004-05 as shown on the following table. The reduction in expenditure authority to the appropriations shown below would be considered a reduction in the parks account liability for these administrative costs that are funded from several conservation fund accounts.

	2003-04		2004-05	
	Funding	FTE	Funding	FTE
Land Program Management	-\$100,000		-\$100,000	
Facilities and Lands	-350,000		-350,000	-2.00
Integrated Science Services	-50,000	-1.00	-50,000	-1.00
Enterprise Information, Technology, and Applications	-87,500		-87,500	
Human Resources	-42,500	-1.00	-42,500	-1.00
Facility Rental Costs	-20,000		-20,000	
Customer Service and Licensing	0		-100,000	
Communication and Education	-113,800	-1.00	-50,000	-1.00
Community Financial Assistance	-35,900		0	
Customer Assistance Program Management	-300		0	
Total	-\$800,000	-3.00	-\$800,000	-5.00

21. PARKS ADMINISTRATION REALLOCATION

Governor/Legislature: Authorize the following transfers between bureaus within DNR administrative and customer assistance appropriations:

Positions	
GPR	- 0.56
SEG	- 0.50
Total	- 1.06

Division	Transfer From			Transfer To	
	Bureau	Amount	FTE	Bureau	Amount
Administration & Technology				Administration	\$4,000
Administration & Technology				Administrative & Field Services	160,300
Administration & Technology	Finance	-\$26,400	-0.30		
Administration & Technology	Information Technology	-131,300			
Administration & Technology	Human Resources	-6,600	-0.16		
Customer Assistance				Customer Assistance Management	42,300
Customer Assistance	Licensing	-23,700			
Customer Assistance	Cooperative Enviro. Assistance	-6,400	-0.10		
Customer Assistance	Communication & Education	-8,900			
Customer Assistance	Community Financial Assistance	-3,300			
Parks GPR Reallocation Subtotal		-\$206,600	-0.56		\$206,600
Administration & Technology	Finance	-\$101,500	-0.50		
Administration & Technology	Administrative & Field Services	-21,700			
Administration & Technology				Management & Budget	\$13,600
Administration & Technology				Information Technology	37,600
Administration & Technology				Administration	20,300
Administration & Technology				Human Resources	51,700
Customer Assistance	Licensing	-42,000			
Customer Assistance				Communication & Education	15,500
Customer Assistance				Community Financial Assistance	6,000
Customer Assistance				Customer Assistance Management	20,500
Parks SEG Reallocation Subtotal		-\$165,200	-0.50		\$165,200

Under 2001 Act 16 (the 2001-03 biennial budget), a series of reductions were applied to several bureaus within the Administration and Technology, and the Customer Assistance and External Relations Divisions in order to provide some relief from shared administrative costs to the parks account of the conservation fund. These reductions would be redistributed among the

bureaus within these Divisions with the intention of achieving a more equitable distribution, while maintaining the targeted reductions. The net fiscal effect is zero, but 1.06 positions would be deleted.

Water Quality

1. WATERWAY AND WETLAND PERMITTING [LFB Paper 560]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$550,000	- \$550,000	\$0

Governor: Provide \$275,000 annually to fund limited-term employee (LTE) staff to assist in processing waterway and wetland permits for commercial and residential customers. These permits relate to proposed private uses of public waters adjacent to riparian lands, upland alterations that connect to or are on the banks of public waters, and alterations to wetlands. Examples of such projects include commercial marina facilities, private multi-boat mooring, personal water parks, pipelines crossing lake and stream beds, stormwater facilities, and large-scale grading, dredging, enlargements, and enclosures to create developable land. The program revenues would be generated by water permit fee revenue. The funding would provide the LTE equivalent of approximately one full-time water permit customer service and data staff person and one water permit field investigation staff person in each of the five DNR regions.

Joint Finance/Legislature: Delete provision.

2. EXOTIC SPECIES MANAGEMENT [LFB Paper 561]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$500,000	0.00	\$1,084,900	1.00	\$1,584,900	1.00

Governor: Provide an additional \$250,000 annually from the water resources account (motorboat fuel tax) of the conservation fund for the invasive species management program. Funds would be used for monitoring for aquatic invasive species and for research efforts related to the control of invasive plant and animal species. In addition, LTE funding for watercraft inspection during the boating season would be available. Under 2001 Act 16, \$300,000 is provided annually for the program.

Joint Finance/Legislature: Approve the Governor's recommendation. In addition, provide \$28,300 in 2003-04 and \$56,600 in 2004-05 with 1.0 SEG position from the water resources account to coordinate statewide invasive species prevention and education efforts. Further, provide \$500,000 annually from the water resources account to increase funding available for lake protection grants. Require DNR to provide at least \$500,000 annually for grants to local units of government for up to 50% of the costs of projects to prevent or control aquatic invasive species, and for education and inspection programs at boat landings.

[Act 33 Sections: 406c and 804n]

3. AQUATIC INVASIVE SPECIES MANAGEMENT

Joint Finance/Legislature: Earmark \$250,000 in 2003-04 and \$500,000 beginning in 2004-05 from recreational boating project aids to be awarded for projects related to the prevention or control of aquatic invasive species, and for education and inspection programs at boat landings. Under the bill, recreational boating project aids are funded at \$4,547,000 annually from the water resources account of the conservation fund. The local match requirement under the program is generally 40 to 50% of project costs.

Veto by Governor [B-26]: Delete provision.

[Act 33 Vetoes Section: 918t]

4. SOUTHEASTERN WISCONSIN FOX RIVER COMMISSION

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg)	Net Change
SEG	\$200,000	- \$200,000	\$0

Joint Finance/Legislature: Provide \$200,000 SEG in 2003-04 from the water resources account of the conservation fund to the recreational boating aids program. Direct DNR to provide a grant of \$200,000 to the Southeastern Wisconsin Fox River Commission to support ongoing activities consistent with the organization's implementation plan, including: (a) initiating and coordinating surveys and research projects relating to the Southeastern Wisconsin Fox River basin; (b) acting as a liaison between federal, state, and local agencies and other organizations involved in protecting, rehabilitating, and managing water resources; and (c) providing public information relating to the Southeastern Wisconsin Fox River.

Veto by Governor [B-26]: Delete provision. Eliminate funding for the provision by crossing out "4,747,000" and writing in "4,547,000" in the appropriation schedule for 2003-04.

[Act 33 Section: 404j]

[Act 33 Vetoes Sections: 286 (as it relates to s. 20.370(5)(cq)), 404g, 404j, 9138(4k), and 9438(1k)]

5. RECREATIONAL BOATING PROJECT EARMARKS

Joint Finance: Earmark \$400,000 in 2003-04 from recreational boating project aids for the dredging of weeds in Memory Lake. Direct DNR to provide a grant for this amount to the Village of Grantsburg in Burnett County. Specify that a local match of 25% of project costs would be required.

In addition, earmark \$25,000 for Little Muskego Lake in Waukesha County. Direct DNR to provide a grant, not to exceed \$25,000, for 50% of the costs associated with dredging Island Drive Bay to the Little Muskego Lake Protection and Rehabilitation District. Further, specify that s. 23.24 of the statutes (aquatic plant management), s. 30.20 (removal of materials from beds of navigable waters), and s. 283.31 (water pollutant discharge permits) would not apply to a project to dredge muck in Island Drive Bay from shore to shore to the lesser of the hard bottom or eight feet of depth.

Under the bill, recreational boating project aids are funded at \$4,547,000 annually from the water resources account of the conservation fund. The local match requirement under the program is generally 50% of project costs (40% if a municipality conducts an approved boating safety enforcement and education program).

Senate/Legislature: Specify that the Grantsburg earmark be for a project to dredge (rather than "dredge weeds in") Memory Lake.

Veto by Governor [B-26]: Delete provisions.

[Act 33 Vetoed Sections: 9138(4f)&(4g)]

6. GPR-SUPPORTED CONSERVATION WARDENS [LFB Paper 562]

Joint Finance/Legislature: Transfer \$132,700 and 2.2 conservation warden positions annually from GPR to water resources account SEG.

	Funding	Positions
GPR	- \$265,400	- 2.20
SEG	<u>265,400</u>	<u>2.20</u>
Total	\$0	0.00

Department records indicate that for fiscal year 2001-02, at least 4,585 hours of GPR-supported law enforcement efforts (the equivalent of 2.2 FTE) were devoted to water resource protection efforts (such as public and private water supply and polluted water run-off enforcement).

[Act 33 Section: 403m]

7. INLAND WATER BEACH MONITORING

SEG	\$50,000
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Governor/Legislature: Provide \$25,000 annually from the water resources account for laboratory costs associated with the monitoring of beaches for microbial contamination.

Monitoring efforts would be targeted towards beaches on inland bodies of water operated by DNR or local units government.

8. FOREST BEACH AND WATER TESTING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$40,000	- \$40,000	\$0

Governor: Provide \$20,000 annually from the forestry account of the conservation fund for drinking water and wastewater testing and monitoring, and expanded testing of water at inland public beaches in southern forest properties.

Joint Finance/Legislature: Delete provision.

9. RIVER PROTECTION

SEG	\$284,800
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Governor/Legislature: Provide an additional \$142,400 annually from the water resources account for river protection grants. Under current law, the program is appropriated \$150,000 annually from the water resources account of the conservation fund and \$142,400 from the nonpoint account of the environmental fund. The bill would eliminate the annual funding for the river protection program from the nonpoint account and continue base funding of \$292,500 annually for the program.

10. NONPOINT ACCOUNT

Governor/Legislature: Reduce the following DNR appropriations from the nonpoint account of the environmental fund by a total of \$727,600 annually, and delete 1.0 SEG position from the nonpoint source general operations appropriation. Further, transfer \$1,477,600 in 2003-04 and \$2,477,600 in 2004-05 from the segregated nonpoint account to the general fund. Under the bill the funding for river protection grants is shifted to the water resources account of the conservation fund.

Funding Positions		
GPR-REV	\$3,955,200	
SEG	- \$1,455,200	- 1.00

	<u>2003-04</u>	<u>2004-05</u>
Nonpoint source general operations	\$85,200	\$85,200
Urban nonpoint source grants	500,000	500,000
River Protection grants	<u>142,400</u>	<u>142,400</u>
Total	\$727,600	\$727,600

[Act 33 Section: 9238(1)]

11. RURAL NONPOINT BONDING

Governor: Provide an increase in general obligation bonding authority of \$9,546,800 for cost-share grants for rural landowners to install nonpoint source pollution abatement projects in designated priority watersheds. Bond revenues may also be used for competitive projects under the targeted runoff management (TRM) program. The bill would increase authorized bonding from \$75,763,600 to \$85,310,400

BR	\$9,546,800
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Joint Finance/Legislature: Approve the Governor's recommendation. In addition, earmark \$250,000 in authorized bonding for a grant to fund bluff mitigation. Direct DNR to provide Sheboygan County with a \$250,000 grant for bluff mitigation along County Highway LS, and require the County to provide at least 30% of project costs from nonstate funds.

The earmarked funding would be used to mitigate bluff erosion on County Highway LS along the Lake Michigan shoreline in Sheboygan County. The Army Corps of Engineers has developed a Section 14 emergency shoreline protection project plan for this mitigation that it estimates would cost \$1,102,000. Section 14 projects have a 65% Federal and 35% non-Federal Sponsor (NFS) cost share.

[Act 33 Sections: 681 and 9138(3f)]

12. NONPOINT -- PRINCIPAL REPAYMENT AND INTEREST [LFB Paper 564]

GPR	- \$100,000
PR	100,000
Total	\$0

Governor: Require repayments of cash surpluses and cash advances from recipients of grants under the nonpoint source water pollution abatement program to be used to pay principal and interest costs of general obligation bonds issued to fund the nonpoint source program. These funds, which are returned to DNR by participants of the priority watershed and targeted runoff management programs, are currently used to provide additional financial assistance under the nonpoint source program. Under the bill, any program revenues from repayments would reduce GPR debt service payments on a dollar-for-dollar basis. No estimate of program revenues is made.

Joint Finance/Legislature: Estimate DNR's nonpoint principal repayment and interest PR appropriation at \$50,000 annually, and delete \$50,000 GPR annually.

[Act 33 Sections: 406 and 416]

13. NONPOINT -- PRIORITY LAKE DESIGNATION

Governor/Legislature: Delete the requirement that DNR allocate \$300,000 of its nonpoint source grants to priority lake projects each fiscal year. Funds are used for grants to local governments for staff and administration and to landowners for non-bondable cropping practices that abate nonpoint source water pollution in priority lake or watershed projects. The

bill would maintain base level funding of \$839,400 GPR annually for this biennial appropriation.

[Act 33 Section: 405]

14. URBAN NONPOINT BONDING

BR	\$4,700,000
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Governor/Legislature: Provide an increase in general obligation bonding of \$4,700,000 for the urban nonpoint source water pollution abatement, storm water management and the municipal flood control and riparian restoration programs. Bonding revenue would provide cost-share grants for landowners to install nonpoint source water pollution abatement projects and provide financial assistance to municipalities and sewage districts for the construction of facilities and structures that aid in the collection and transmission of storm water.

[Act 33 Section: 683]

15. URBAN NONPOINT AND FLOOD CONTROL

Governor/Legislature: Convert the urban nonpoint source and flood control grant program SEG appropriation from annual to biennial. The urban nonpoint source water pollution abatement and storm water management program offers cost share grants for the construction of nonpoint source water pollution abatement practices and the municipal flood control and riparian restoration program offers financial assistance for the collection, retention and transmission of storm water. Unencumbered funds in a biennial appropriation carry-over and are available for expenditure in the second year of a biennium, while a balance in an annual appropriation would lapse to the segregated fund balance each June 30. The bill provides \$1,399,000 SEG annually for these grants (a 26% decrease from the \$1,899,000 in base funding).

[Act 33 Section: 407]

16. WATER POLLUTION CREDIT TRADING PROGRAM

SEG	- \$70,000
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Governor/Legislature: Delete \$22,500 in 2003-04 and \$47,500 in 2004-05 from the nonpoint account of the environmental fund for water pollution credit trading pilot programs. This revenue is used to fund studies and evaluations of DNR's three water pollution credit trading pilots begun in November, 1997. The bill would provide \$25,000 for this purpose in 2003-04 but delete all funding beginning 2004-05.

The three pilot programs in existence are in the Red Cedar River watershed, the Fox-Wolf Drainage Basin and the Rock River Basin, and allow a permitted point source of water pollution to discharge pollutants at levels above what would otherwise be authorized by the DNR if another entity removes an equal or greater pollutant load. In the Red Cedar River watershed, the City of Cumberland has pursued phosphorus trading options for two years. The Village of

Colfax is considering a phosphorus trade, but administrative costs may offset any potential economic benefit. The Fox-Wolf Drainage Basin has seen limited phosphorus trading during its existence, partly due to a number of point sources of phosphorus already complying with the discharge limits promulgated by DNR. Over 60 participants within the Rock River Basin formed a partnership to develop an effluent trading workplan. Ten of these participants subsequently completed an economic feasibility analysis, with one participant interested in pursuing a possible phosphorus credit trade.

17. FOX RIVER LOCKS [LFB Paper 345]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$253,400	- \$61,400	\$192,000

Governor: Provide \$126,700 annually from the water resources account of the conservation fund for expenses associated with the management of the Fox River locks. The Fox River Management Commission is responsible for the system until its ownership is transferred from the federal government to the state. Upon entering into a lease with the state, the Fox River Navigational System Authority then becomes responsible for the rehabilitation, operation and maintenance of the system. At this time the date of the transfer is uncertain. Under the bill, the funds are transferred from the Authority's appropriation to the DNR appropriation that supports the Commission.

Joint Finance/Legislature: Modify the Governor's recommendation by instead providing DNR with \$96,000 annually (a reduction of \$30,700 SEG annually from the Governor's recommendation) for management of the Fox River locks.

18. TRIBAL GAMING REVENUE FOR TOWN OF SWISS [LFB Paper 131]

PR	- \$500,000
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Joint Finance/Legislature: Delete \$250,000 PR in tribal gaming revenue each year for the grant to the Town of Swiss (Danbury) in Burnett County and the St. Croix Band of Chippewa for wastewater and drinking water treatment facilities. A grant of \$250,000 in each of 2003-04 and 2004-05 would remain. The provision would retain the current law requirement that no funds may be encumbered from the appropriation after June 30, 2005. Under the provision, a total of \$1,900,000 would be granted from tribal gaming revenues for the project in 1999-00 through 2004-05.

Air, Waste, and Contaminated Land

1. VEHICLE ENVIRONMENTAL IMPACT FEE [LFB Paper 572]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
SEG-REV	\$24,220,000		- \$4,120,000		\$20,100,000	
SEG	\$0	0.00	- \$3,548,700	- 24.10	- \$3,548,700	- 24.10

Governor: Increase the vehicle environmental impact fee from \$9 to \$10.50 on the effective date of the bill. Further, repeal the December 31, 2003, sunset of the fee, making the fee permanent. Fees are deposited in the environmental management account of the environmental fund, which provides funding for brownfields grants, state-funded cleanup activities and DNR environmental management, enforcement and administrative functions. The fee applies to the titling of new and used vehicles and is collected by the Department of Transportation. The Department of Commerce also collects a \$9 environmental impact fee on the titling of manufactured homes. The bill only affects the fee collected by DOT, but does not increase the fee, or repeal the December 31, 2003, sunset of the \$9 environmental impact fee assessed by Commerce on the titling of manufactured homes. In 2001-02, Commerce collected \$61,800 in manufactured home environmental impact fees.

The current fee is expected to generate approximately \$6,980,000 in 2003-04 through its December sunset date. The bill is expected to provide additional revenue of approximately \$7,710,000 in 2003-04 (total 2003-04 revenues of \$14,690,000) and \$16,510,000 in 2004-05. The \$9 fee generated revenue of \$12.2 million in 2001-02, which was 41% of the revenue to the environmental management account. The fee was created in 1997 Act 27 at a rate of \$5 per vehicle and was increased to \$6 per vehicle in 1999 Act 9. In 2001 Act 16, the fee was increased to \$9 per vehicle on October 1, 2001, and a June 30, 2001, fee repeal date was extended to December 31, 2003.

Joint Finance/Legislature: Delete the fee increase and retain the current \$9 vehicle environmental impact fee. Extend the December 31, 2003, sunset of the fee, to December 31, 2005. Estimated fee revenue would be \$6,700,000 in 2003-04 (a decrease of \$1,010,000 from the Governor's recommendation) and \$13,400,000 in 2004-05 (a decrease of \$3,110,000).

In addition, decrease \$3,656,500 SEG (26.5% decrease) in all appropriations from the environmental management account in 2004-05, other than for the brownfields grant program, household hazardous waste program, debt service and UW Systems environmental education, and delete 25.03 SEG positions, as follows: (a) reduce the DNR Air and Waste Division general operations appropriation by \$1,025,700 SEG and 13.25 SEG positions; (b) reduce the Enforcement and Science Division general operations appropriation by \$315,800 SEG and 2.92

SEG positions; (c) reduce the Water Division general operations appropriation by \$614,900 SEG and 5.83 SEG positions; (d) reduce the Administration and Technology Division general operations appropriation by \$419,100 SEG; (e) reduce the Customer Assistance and External Relations Division general operations appropriation by \$153,600 SEG and 2.10 SEG positions; (f) reduce the DNR state-funded response cleanup appropriation by \$880,500 SEG; (g) reduce the DNR well compensation grant appropriation by \$106,000 SEG; and (h) reduce the DNR groundwater management appropriation by \$33,100 SEG. [Decreases in the environmental management account appropriations in the Department of Health and Family Services (\$105,000 and 0.93 position) and Department of Military Affairs (\$2,800) are summarized under those agencies.]

[Act 33 Section: 2519]

2. BROWNFIELDS GRANT PROGRAM [LFB Paper 573]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$15,000,000	- \$14,000,000	\$1,000,000

Governor: Provide \$9,200,000 annually in a new, biennial appropriation from the environmental management account of the environmental fund to create a consolidated brownfields grant program in DNR. Further, repeal four brownfields-related grant programs with \$1,700,000 annually in DNR and \$7,000,000 annually in Commerce. Under the bill, a net increase of \$500,000 annually from 2002-03 base funding levels would be provided for brownfields grants.

Repeal of four existing brownfields programs. The bill would repeal the following four programs:

a. The Commerce brownfields grant program, which was created in 1997 Act 27 to provide grants to local governments, businesses and other persons for brownfields redevelopment and related environmental remediation projects. The bill would delete the \$7,000,000 in Commerce base funding in each of 2003-04 and 2004-05 and provide those funds to the new brownfields grant appropriation created in DNR.

b. The DNR brownfields site assessment grant program, which was created in 1999 Act 9 to provide local governments with grants to perform the initial investigation of contaminated properties and certain other eligible activities. The bill would delete the \$1,700,000 base funding in each of 2003-04 and 2004-05 and provide those funds to the new brownfields grant appropriation created in DNR.

c. The DNR sustainable urban development zone program, which was created in 1999 Act 9 as a pilot program to provide funds to five specified cities to cleanup and redevelop contaminated properties. The program was modified in 2001 Act 16 to provide \$525,000 SEG in

2001-02 in a biennial appropriation from the environmental management account, including grants of \$150,000 to the City of Platteville and \$250,000 to the City of Fond du Lac, and undesignated funds of \$125,000 to be awarded to municipalities that apply for funds. Under current law, no ongoing funding is provided after the 2001-03 biennium.

d. The DNR brownfields green space grants program, which was created in 2001 Act 16 to provide grants to local governments for brownfields remediation projects that have a long-term public benefit, including the preservation of green space, the development of recreational areas, or the use of a property by the local government. The program was appropriated \$1,000,000 SEG in 2001-02 in a biennial appropriation from the environmental management account. Under current law, no ongoing funding is provided after the 2001-03 biennium.

Eligible site or facility. Eligible sites or facilities under the new and repealed programs would include the following:

a. Under the new, consolidated brownfields grant program, an eligible site or facility would be defined as an abandoned, idle, or underused industrial or commercial facility or site the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.

b. The current Commerce grant program, sustainable urban development zone program and green space grant programs use the same definition as the new program under the bill.

c. The current site assessment grant program definition, instead of referring to a site or facility, includes "one or more contiguous industrial or commercial facilities or sites with common or multiple ownership."

Eligible grant activities. Eligible grant activities under the new and repealed programs would include the following:

a. DNR could award grants under the consolidated program under the bill for: (1) investigating an eligible site or facility to determine the existence and extent of environmental contamination of the eligible site or facility; and (2) removing or containing environmental contamination and restoring the environment at an eligible site or facility.

b. The current Commerce grant program awards grants for: (1) brownfields redevelopment, meaning work to acquire a brownfields facility or site and to raze, demolish, remove, reconstruct, renovate, or rehabilitate the facility or existing buildings, structures, or other improvements at the site for the purpose of promoting the use of the facility or site for commercial, industrial, or other purposes; and (2) environmental remediation activities, including (a) investigating, analyzing and monitoring of a brownfields facility or site to determine the existence and extent of actual or potential environmental pollution; (b) abating, removing or containing environmental pollution at a brownfields facility or site; and (c) restoring soil or groundwater at a brownfields facility or site.

c. The current site assessment grant program awards grants for: (1) the investigation of environmental contamination on an eligible site or facility for the purposes of reducing or eliminating environmental contamination; (2) demolition of any structures, buildings or other improvements located on an eligible site or facility; (3) asbestos abatement conducted as a necessary part of demolition activity; and (4) removal and proper disposal of abandoned containers, underground petroleum product storage tank systems or underground hazardous substance storage tank systems.

d. Sustainable urban development zone program funds may currently be used to investigate environmental contamination and to conduct cleanups of brownfields.

e. The current green space grant funds may be used to remedy environmental contamination if the project has a long-term public benefit, including the preservation of green space, the development of recreational areas, or the use of a property by the local government.

Eligible grant applicants. Eligible grant applicants under the new and repealed programs would include the following:

a. Under the bill, eligible applicants would include an individual, partnership, limited liability company, corporation, nonprofit organization, or local governmental unit. Local governmental units would include a city, village, town, county, redevelopment authority, community development authority, or housing authority.

b. The current Commerce grant program is available to the same applicants as the proposed program, except the Commerce program: (1) is not available to a redevelopment authority, community development authority, or housing authority; and (2) is available to a trustee, including a trustee in bankruptcy.

c. The site assessment and green space grant programs are available to the same local government applicants as the proposed program.

d. The sustainable urban development zone program is available to specified cities and to other municipalities that are selected by DNR from those municipalities that apply for funding.

Grant limitations related to responsible parties. Under the consolidated grant program in the bill, DNR could only award a grant if the person that caused the environmental contamination that is the basis for the grant request is unknown, cannot be located or is financially unable to pay the cost of the eligible activities. The existing Commerce grant program and DNR site assessment grant program also have this statutory requirement. The current green space grant program has this requirement in administrative rules but not in statutes. The current sustainable urban development zone program does not have this requirement.

The existing Commerce grant program and DNR site assessment grant program also have a statutory prohibition against awarding a grant to the party that caused the environmental contamination that is the basis for the grant request. The existing Commerce grant program

also has a statutory prohibition against awarding a grant to any person who possessed or controlled the environmental contaminant that is the basis for the grant request before the contaminant was released. The bill would not include either of these prohibitions.

Grant scoring and awards. Provisions related to scoring and awarding grants under the new and repealed programs include the following:

a. Under the consolidated grant program in the bill, DNR would be required to promulgate administrative rules that include: (1) a competitive scoring system for evaluating grant applications that, for removing or containing environmental contamination and restoring the environment, includes consideration of the severity of the risks posed by the contamination, the potential for economic development, the contribution to remediation of contamination affecting more than one property, and the potential for the creation of green spaces or the use for public facilities; (2) provisions specifying the activities that may be covered by grants under the program; (3) provisions for ensuring distribution of grant funds throughout the state; and (4) provisions for determining the percentage of costs to be paid through a grant, which may vary based on the financial circumstances of the applicant. The bill would not include a statutory maximum grant award or minimum match requirement.

b. The existing Commerce grant program requires scoring based on the following criteria: (1) 50% based on the potential of the project to promote economic development in the area; (2) 25% based on whether the project will have a positive effect on the environment; (3) 15% based on the amount and quality of the recipient's contribution to the project; and (4) 10% based on the innovativeness of the recipient's proposal for remediation and redevelopment. The Commerce program is required to award at least seven grants for projects located in municipalities with populations of less than 30,000. The program also requires a 20% match by the grant recipient if the grant does not exceed \$300,000, 35% match for a grant greater than \$300,00 but that does not exceed \$700,000 and 50% for a grant that is greater than \$700,000 but that does not exceed \$1,250,000. The maximum award is \$1,250,000.

c. The existing DNR site assessment grant program requires scoring based on the following: (1) the local governmental unit's demonstrated commitment to performing and completing necessary environmental remediation activities on the eligible site, including the local government's financial commitments; (2) the degree to which the project will have a positive impact on public health and the environment; and (3) other criteria that DNR finds necessary to calculate the amount of a grant. Grant recipients are required to contribute a 20% match. Statutes prohibit a local government from receiving total grants that exceed 15% of the available funds appropriated for a fiscal year. There is no statutory maximum award. Administrative rules allocate 70% of grant funds to small grants between \$2,000 and \$30,000 and the remaining 30% of grant funds to large grants between \$30,001 and \$100,000.

d. The existing green space grant program does not have statutory scoring criteria, match requirements or maximum award amounts. Administrative rules establish a scoring system based on the following criteria: (1) 35% based on the environmental benefits of the project; (2) 25% based on the demonstrated need for the project; (3) 25% based on the applicant's

financial commitment to the project; and (4) 15% based on the commitment of an applicant to the project. Rules establish a match requirement of 20% for grants of \$50,000 or less, 35% for grants between \$50,001 and \$99,999 and 50% for grants between \$100,000 and \$200,000.

e. The existing sustainable urban development zone program does not have statutory provisions related to scoring or awarding grants.

Other provisions. The bill would also include the following provisions:

a. DNR would be required to promulgate administrative rules for the new, consolidated grant program, and would be authorized to promulgate rules without the finding of emergency.

b. DNR would be required to inform applicants of other potential sources of funding for activities proposed in grant applications.

c. DNR would be required to oversee projects awarded grants under the existing Commerce brownfields grant program for which funds have been encumbered but grants have not been paid as of the effective date of the bill.

d. DNR and DOA, rather than DNR, DOA and Commerce currently, would be required to submit a report evaluating the effectiveness of the state's efforts to remedy the contamination of, and to redevelop, brownfields. 1999 Act 9 required the three agencies to submit a report. Current law and the bill do not include deadlines for submitting the report, and do not specify to whom the report should be submitted. The Governor's 1999 veto message requested the agencies to submit a report to the Governor and Legislature on July 1, 2002, and every four years thereafter. To date, the three agencies have not submitted a report.

Joint Finance/Legislature: Delete the consolidation of brownfields grant programs in DNR. Retain the current Commerce brownfields grant program in Commerce with \$7,000,000 SEG annually (see "Commerce" summary). Retain the current DNR brownfield site assessment grant program with \$1,700,000 SEG annually. Retain the existing DNR brownfield green space grant program and provide \$500,000 SEG annually. Repeal the DNR sustainable urban development zone program. During the 2003-05 biennium, allow DNR to review applications received by DNR for green space grants by January 17, 2003, rank them under the 2002-03 scoring criteria for green space grants, and make awards totaling up to \$1,000,000 in funding provided for the DNR brownfield green space grant program to applicants that would have been eligible for grants in 2002-03. Appropriations for brownfields-related grant programs under the bill are shown in the table.

<u>Program</u>	<u>2001-02</u>	Base Funding <u>2002-03</u>	<u>Enrolled SB 44</u>	
			<u>2003-04</u>	<u>2004-05</u>
Commerce				
Brownfields grants*	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000
DNR				
Site assessment grants	1,700,000	1,700,000	1,700,000	1,700,000
Sustainable urban development zone*	525,000	0	0	0
Green space grants*	<u>1,000,000</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>
Total	\$10,225,000	\$8,700,000	\$9,200,000	\$9,200,000

*2003 Act 1 reduced the funding identified in the table in the 2001-03 biennium by \$7,375,000 (\$6,250,000 in the Commerce brownfields grant program, \$125,000 in the sustainable urban development zone program, and \$1,000,000 in the green space grant program), and transferred those amounts from the environmental management account of the environmental fund to the general fund.

[Act 33 Sections: 408, 2479, and 9138(1z)]

3. ENVIRONMENTAL REPAIR BONDING AUTHORITY [LFB Paper 574]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	\$6,000,000	- \$6,000,000	\$0

Governor: Provide \$6,000,000 in general obligation bonding authority to conduct remedial action at contaminated sites. The request would increase DNR's general obligation bonding authority for remedial action from \$41 million to \$47 million. Bonding can be used for: (a) state-funded cleanup under the environmental repair statute (s. 292.31) or hazardous substances spills statute (s. 292.11) when construction is involved and no responsible party is known, willing or able to take the necessary action; and (b) the state's cost-share at federal Superfund or leaking underground storage tank trust fund sites.

Joint Finance/Legislature: Delete provision.

4. ENVIRONMENTAL REPAIR DEBT SERVICE [LFB Paper 574]

GPR	- \$1,575,300
SEG	<u>1,575,300</u>
Total	\$0

Governor/Legislature: Provide an additional \$503,700 in 2003-04 and \$1,071,600 in 2004-05 to reestimate debt service payments for environmental repair general obligation bonds to \$3,203,700 in 2003-04 and \$3,771,600 in 2004-05. In 2002-03, debt service is paid from an environmental fund SEG sum certain appropriation authorized at \$2,700,000, and a GPR sum sufficient debt service appropriation exists to pay any debt service costs that exceed the \$2,700,000 SEG appropriation. In 2002-03, debt service costs are estimated at \$2,649,800 SEG and no GPR expenditures are expected.

In addition to reestimating debt service, convert the environmental fund SEG debt service appropriation from sum certain to sum sufficient and repeal the GPR sum sufficient debt service appropriation. Under the bill, all costs for environmental repair debt service would be paid from environmental fund SEG. Under current law, GPR debt service costs would be estimated at \$503,700 in 2003-04 and \$1,071,600 in 2004-05. Thus, conversion of the SEG appropriation from sum certain to sum sufficient under the bill would reduce GPR costs by \$503,700 in 2003-04 and \$1,071,600 in 2004-05.

[Act 33 Sections: 414 and 415]

5. ENVIRONMENTAL MANAGEMENT ACCOUNT [LFB Paper 572]

Funding Positions		
GPR-REV	\$1,281,800	
SEG	- \$1,281,800	- 9.00

Governor/Legislature: Decrease the base budget for Air and Waste Division general operations by \$640,900 annually with 9.0 positions from the segregated environmental management account of the environmental fund. The appropriation reductions would include: (a) \$180,000 annually with 2.0 positions in the waste management program; and (b) \$460,900 annually with 7.0 positions in the remediation and redevelopment program. Further, transfer \$640,900 in each year from the environmental management account to the general fund.

[Act 33 Section: 9238(1)]

6. AGRICHEMICAL FEES AND ENVIRONMENTAL MANAGEMENT ACCOUNT EXPENDITURES [LFB Paper 570]

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg)	Net Change
SEG-REV	-\$2,614,000	\$2,614,000	\$0
SEG	-\$2,540,000	\$0	-\$2,540,000

Joint Finance/Legislature: Deposit all pesticide, fertilizer, and soil additive fees that are currently deposited in the environmental management account of the environmental fund into the agrichemical management fund. This would decrease revenues to the environmental management account by an estimated \$1,307,000 in each year of the biennium. The following fees are currently deposited into the environmental management account: (a) a \$124 license fee for each household pesticide product that a manufacturer or labeler sells or distributes in the state; (b) a \$94 license fee for each industrial and non-household pesticide product that a manufacturer or labeler sells or distributes in the state; (c) a \$150 pesticide primary producer fee; (d) a 10¢ soil additive tonnage fee; and (e) a 10¢ fertilizer tonnage fee. A pesticide primary producer is a person who manufactures an active ingredient that is used to produce a pesticide.

Transfer administration of the household hazardous waste grant program (urban clean sweep) from DNR to DATCP. Transfer funding for the household clean sweep program from the environmental management account of the environmental fund to the recycling fund. This would decrease environmental management account expenditures in DNR by \$150,000 SEG annually.

Reduce the DNR Air and Waste Division operations appropriation from the environmental management account by \$1,120,000 SEG annually, from \$3,868,800 to \$2,748,800. In addition, transfer \$230,300 SEG and 3.0 SEG positions annually from the remediation and redevelopment program of the Air and Waste operations appropriation of the environmental management account to a new brownfields general operations appropriation. The three SEG staff from the DNR central office brownfields section would be supported from the new appropriation. Authorize DNR to submit an alternative plan to the Secretary of Administration for allocating the reduction in the Air and Waste Division appropriation among any of the agency's other sum certain appropriations funded from the environmental management account except the new brownfields appropriation. Direct that if DNR submits a request for reallocation of the reduction, the Department must include the appropriations that the reduction would be allocated to and a description of how many and what types of positions would be deleted under the reduction. Provide that if the DOA Secretary approves the alternative reduction plan, DOA would submit the plan to the Joint Committee on Finance for its approval under a 14-day passive review procedure. DOA would also be prohibited from requesting a reallocation of any of the reductions to the new brownfields appropriation.

Finally, create a SEG appropriation in DNR funded from the agrichemical management fund for any agricultural chemical cleanup actions taken by the Department under s. 94.73 (2m) in response to one or more of the following actions: (a) the action or order is necessary in an emergency to prevent or mitigate an imminent hazard to public health, safety or welfare or to the environment; (b) DATCP requests DNR to take the action or issue the order; (c) the Secretary of DNR approves the action or order in advance after notice to the Secretary of DATCP; (d) the DNR takes action after a responsible person fails to comply with an order that DNR issued under the spills law; or (e) DNR takes the action because the identity of the responsible person is unknown. No expenditure authority would be provided to the appropriation. DNR could request expenditure authority from the Joint Committee on Finance under s. 13.10 if it takes action or expects to take action under s. 94.73 (2m). If the Department uses the state-funded spills response appropriation from the environmental management account for expenditures under s. 94.73 (2m) in a fiscal year, it could request reimbursement of those expenditures from the new agrichemical management fund appropriation.

Veto by Governor [B-16]: Maintain the deposit of all pesticide, fertilizer, and soil additive fees currently deposited in the environmental management account of the environmental fund rather than transferring them to the agrichemical management fund under the enrolled bill. The partial veto would maintain revenues in the environmental management account estimated at \$1,307,000 in each year of the biennium.

Delete the provision that would allow DNR to submit an alternative reduction plan to DOA, and that would allow DOA to submit an approved alternative reduction plan to the Joint Committee on Finance under a 14-day passive review process. Under the act, the \$1,120,000 annual SEG reduction would remain. Current law allows an agency to request a reallocation, or supplement, of SEG expenditure authority at a quarterly meeting of the Joint Committee on Finance under s. 13.101.

Delete the creation of a SEG appropriation in DNR funded from the agrichemical management fund for any agricultural chemical cleanup actions taken by DNR under certain emergency situations or at the request of DATCP.

Under the act: (a) the urban clean sweep program is transferred to DATCP and \$150,000 annually is funded from the recycling fund instead of the environmental management account; (b) environmental management account SEG expenditures are reduced by \$1,120,000 each year; and (c) the new brownfields general operations appropriation is created.

[Act 33 Sections: 290, 402u, 406h, 2481s, 2725k, and 9104(3z)]

[Act 33 Vetoed Sections: 286 (as it relates to s. 20.370(2)(dx)), 402k, 855p, 855q, 855r, 855s, 855t, 855x, 1745d, 1745i, 1745L, 1750c, 1750e, 1750f, 1750g, 1750j, 1750L, 2475r and 9138(2z)]

7. FEES FOR ENVIRONMENTAL ENFORCEMENT ACTIONS

PR-REV	\$15,000
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Governor/Legislature: Authorize DNR to assess and collect fees from persons that are subject to an order or other enforcement action for a violation under the hazardous substances spills statute (s. 292.11) and environmental repair statute (s. 292.31) to cover the Department's costs to review the planning and implementation of any environmental investigation or environmental cleanup the person is required to conduct. DNR would be required to promulgate administration rules for any assessment and collection of fees under the provision. The fee revenue would be deposited in a program revenue appropriation that funds staff who review the environmental response documents submitted by persons working on site cleanups. The provision is expected to generate program revenue fees assessed under administrative rule NR 749 of approximately \$15,000 annually beginning in 2004-05. The revenue estimate is based on an average of \$3,000 per site for five sites annually that would pay fees for activities such as technical review, review of a site investigation report, approval of a remedial action plan and issuance of a case closure letter. Currently, persons that are cooperating with DNR as they undertake an environmental investigation and cleanup pay fees to the Department for any technical review or approval that the persons request. Persons that are subject to an environmental enforcement action, or are being compelled to conduct a cleanup of contaminated land, are not currently required to reimburse DNR for the time spent on reviewing documents that the Department requires the person to submit for review.

[Act 33 Sections: 402 and 2481]

8. RECYCLING FUND [LFB Paper 575]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$3,316,100		\$10,600,000		\$13,916,100	
SEG	-\$316,200	- 2.00	\$0	0.00	-\$316,200	- 2.00

Governor: Reduce funding for DNR recycling administration by \$158,100 annually (an 18% reduction from base level funding) and delete 2.0 positions in 2004-05 in the waste management program. In addition, transfer \$3,158,000 in 2003-04 and \$158,100 in 2004-05 from the recycling fund to the general fund.

Joint Finance/Legislature: Delete the 2.0 positions in 2003-04 instead of 2004-05. Further, transfer an additional \$4,000,000 in 2003-04 and \$6,600,000 in 2004-05 from the recycling fund to the general fund. (Under the bill, an additional \$157,000 in recycling SEG would be transferred to the general fund from Commerce appropriations.)

[Act 33 Section: 9238(2)]

9. RECYCLING GRANTS [LFB Paper 575]

SEG	- \$10,000,000
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Governor/Legislature: Decrease by \$5,000,000 annually the appropriation for municipal and county recycling grants to provide total grants of \$24,500,000 annually. The bill would provide the same level of grant funding as in the calendar years 2002 and 2003. In order to address a potential cash-flow problem in the recycling fund, 2001 Act 16 provided \$19,500,000 in 2001-02 and \$29,500,000 in 2002-03 for the municipal and county recycling grant program. For grant year 2002 only, DNR was required to calculate total eligible grant awards of \$24,500,000 and to disburse the grants in two installments. DNR disbursed \$19,500,000 of the awards by June 1, 2002, from the 2001-02 appropriation and the remaining \$5,000,000 by December 1, 2002, from the 2002-03 appropriation. For grant year 2003 only, DNR is required to disburse the remaining \$24,500,000 from the 2002-03 appropriation by June 1, 2003. Currently, for grant year 2004 and subsequent years, DNR is required to disburse the entire municipal and county grant appropriation by June 1 of the year for which the grants are made.

10. EXEMPT CERTAIN PCB-CONTAMINATED SEDIMENT
FROM RECYCLING TIPPING FEE

SEG-REV	- \$1,087,500
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Joint Finance/Legislature: Exempt from the \$3 per ton recycling tipping fee, all sludges, river sediments, or dredged materials that contain PCBs (polychlorinated biphenyls) that are removed in connection with the remediation of contaminated sediments in a navigable water of the state, if the total quantity of the removed materials, either in an individual phase or in combination with other planned phases of remediation, will exceed 200,000 cubic yards. The

recycling fund would lose revenues associated with an expected 362,500 tons of dredged contaminated sediment from the Fox River cleanup project that would currently be subject to state recycling tipping fees in 2004-05, and annually thereafter for a 10-year period. The annual state revenue loss would be estimated at \$1,087,500 to the segregated recycling fund.

[Act 33 Section: 2475e]

11. RECYCLING FUND - ENFORCEMENT ACTIVITIES [LFB Paper 562]

	Funding Positions	
GPR	- \$51,600	- 1.40
SEG	<u>51,600</u>	<u>1.40</u>
Total	\$0	0.00

Joint Finance/Legislature: Convert 1.4 conservation wardens and \$51,600 from GPR to recycling fund SEG beginning in 2004-05 for litter and recycling enforcement activities (a total of 2.4 conservation wardens would be funded from the recycling fund beginning in 2004-05). Staff would be converted to SEG funding in about December, 2004, with total annual funding of \$84,400 required to support the 1.4 positions beginning in 2005-06.

12. AIR MANAGEMENT STAFF [LFB Paper 576]

	Funding Positions	
PR	- \$2,170,200	- 11.50

Governor/Legislature: Delete \$1,085,100 annually (a 12% reduction from base level funding) and 11.5 air management positions funded from stationary source air emission tonnage fees in the Bureau of Air Management to reconcile authorized expenditures with anticipated revenues (as of February 22, 2003, 3.75 of 102.0 positions funded from these fees in the Air and Waste Division were vacant). The reduction includes \$680,000 for permanent salary and fringe benefits, \$205,100 for supplies, and \$200,000 for permanent property. Under the bill, there would be 98.25 DNR positions authorized from emission tonnage fees, including 87.5 in the Bureau of Air Management, 3.0 in Air and Waste Division management, 1.0 in the Division of Enforcement and Science and 6.75 in the Division of Customer Assistance and External Relations. The bill also continues funding from the fees for 2.0 positions in Commerce.

13. AIR MANAGEMENT -- ASBESTOS INSPECTIONS [LFB Paper 577]

PR-REV	\$187,000
PR	\$85,000

Governor: Provide \$85,000 PR in 2004-05 from air asbestos fees for the inspection of asbestos removal in schools, and industrial and commercial facilities. The provision would include: (a) \$55,000 for limited-term employees to assist in asbestos inspections; and (b) \$30,000 for contracts with local governments to conduct inspections for DNR. In addition, recommend an increase in certain air asbestos inspection fees collected from persons who perform nonresidential asbestos abatement as part of demolition and certain renovation activities.

Currently, persons must notify DNR before they perform asbestos abatement and pay the following fees established in administrative rule: (a) an asbestos inspection fee ranging from \$50 to \$210, with a statutory maximum of \$210; and, in addition, some pay (b) a construction permit exemption review fee of \$50 or \$125, with no statutory maximum. The current combined fee amount is \$50 to \$335 and depends on the size of the project. Under the bill, the statutory maximum fee for inspection would increase to \$450 if the combined square and linear footage of friable (readily crumbled or brittle) asbestos-containing material involved in the project is less than 5,000, or to \$750 if the combined square and linear footage is equal to or greater than 5,000. The bill specifies that the combined square and linear footage be determined by adding the number of square feet of friable asbestos-containing material on areas other than pipes to the number of linear feet of friable asbestos-containing material on pipes. The fee would generate increased revenue of approximately \$165,000 annually, beginning in 2004-05, beyond the current fee revenues of approximately \$230,000 annually. This is based on an assumption that DNR would promulgate a rule with a combined fee that includes both the inspection fee and construction permit exemption review fee within the statutory maximum of \$450 or \$750. The bill would retain the current law provision of no statutory maximum fee for the permit exemption review fee.

The bill would also authorize (but not require) DNR to charge for the costs it incurs for laboratory testing for a nonresidential asbestos demolition and renovation project. This fee is expected to generate increased revenue of approximately \$22,000 annually, beginning in 2004-05.

Joint Finance/Legislature: Modify the Governor's recommendation to provide a statutory maximum combined asbestos inspection fee and construction permit exemption fee of \$400 (rather than \$450 for the inspection fee with no maximum permit exemption fee) if the combined square and linear footage of friable asbestos-containing material involved in the project is less than 5,000, or \$750 (rather than \$750 for the inspection fee only) if the combined square and linear footage is equal to or greater than 5,000. This is consistent with DNR's budget request and is expected to generate the same revenue as the Governor's recommendation.

[Act 33 Sections: 401, 2473, and 2474]

14. AIR MANAGEMENT -- PETROLEUM INSPECTION FUND

Governor/Legislature: Decrease the base budget for supplies in the mobile source air pollution management program by \$98,100 annually from the petroleum inspection fund. Further, transfer \$98,100 in each of 2003-04 and 2004-05 from the petroleum inspection fund to the general fund.

GPR-REV	\$196,200
SEG	- \$196,200

Veto by Governor [B-10]: A partial veto more fully described under Commerce would result in the act not specifying when the transfer must be made. The Governor's veto message indicates that it is the Governor's intent that the transfer be made in 2003-04.

[Act 33 Section: 9209(1)]

[Act 33 Vetoed Section: 9209(1)]

15. TRANSFER WASTE FACILITY SITING BOARD FROM DOA

	<u>Jt. Finance/Leg.</u> <u>(Chg. to Base)</u>		<u>Veto</u> <u>(Chg. to Leg)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
PR	\$212,400	1.00	-\$212,400	- 1.00	\$0	0.00

Joint Finance/Legislature: Provide \$106,200 annually and 1.0 PR unclassified executive director position and transfer the Waste Facility Siting Board and its current duties from DOA to DNR. Funding includes \$73,900 annually for the executive director and \$32,300 for supplies. Retain the current duties of the Board to supervise mandated negotiation-arbitration procedures relating to the siting of solid or hazardous waste facilities. Retain the current authority of the Board to appoint an unclassified executive director. On the effective date of the act, transfer the assets, liabilities and personal property of the Board, as determined by the Secretary of DOA, from DOA to DNR. Require DNR to carry out all contractual obligations of the Board until such contract is modified or rescinded, as allowed by the contract. Program revenue would continue to be provided from the current 1.7¢ per ton fee on solid waste landfilled in the state that supports the activities of the Board. (See also "Department of Administration -- General Programs").

Veto by Governor [D-13]: Delete provision.

[Act 33 Vetoed Sections: 92x, 286 (as it relates to s. 20.370(2)(ei)), 402p, 587p, 2475g, and 9101(8c)]